Daily Report

Latin America

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FBIS-LAT-90-159 *16 August 1990*

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Cuba

Further on Refugees in Belgian Embassy

LD1408172490 Brussels Domestic Service in French 1600 GMT 14 Aug 90

[Excerpts] Today five Cubans entered the residence of the Belgian ambassador in Havana by force. Four others had already forced the door yesterday. According to the information we have been able to obtain, there are seven men and two women. The second secretary at our embassy in Cuba, Willy Leymann, was questioned by Marie-Paul Jeunomme.

[Begin recording] [Leymann] They are asking for political asylum and they ask to leave Cuba for Belgium. [passage omitted]

[Jeunomme] Have you made contacts to possibly allow them to leave for Belgium?

[Leymann] You will realize we are still at an initial stage: The events began yesterday. We had to inform our minister and we will see what instructions we receive. [passage omitted]

Inter-Caribbean Affairs

Islamic Group Condemns Jamaat Coup Attempt

FL1508152790 Bridgetown CANA in English 1501 GMT 15 Aug 90

[Text] Bridgetown, Barbados, Aug 19, CANA—The Association of Islamic Communities of the Caribbean and Latin America (AICCLA) has condemned the recent attempt by members of the Jamaat-al-Muslimeen to overthrow the government of Trinidad and Tobago. The group, in a statement sent to CANA [CARIBBEAN NEWS AGENCY] from New York, said the "irresponsible action" by the Jamaat should not be seen as "reflective of the feelings and aspirations of the Muslim communities in Trinidad and Tobago and the Caribbean countries." AICCLA, formed in 1980, groups the Muslim communities in the Bahamas, Barbados, Belize, Bermuda, Dominica, Grenada, Guyana, Jamaica, St. Vincent, and Trinidad and Tobago.

"Muslims have always contributed to the positive growth of Caribbean societies, in particular Trinidad and Tobago, and will continue to do so, God willing," the group said.

"As Caribbean Muslims, we do not support the disruption of law and order, senseless violence, loss of innocent life and property, and the use of force to impose one's will on the people."

On July 27, Jamaat members stormed the Trinidad and Tobago Parliament and state-owned television station, holding Prime Minister A.N.R. Robinson and others hostage for five days in an unsuccessful bid to topple the government. At least 23 people were killed during the crisis. Charges ranging from treason to murder have since been laid against the 114-member rebel group.

The AICCLA said it felt compelled to express its deep anguish and concern about the present situation in Trinidad and Tobago. It also urged regional governments "to work strenuously to eradicate corruption and injustice and the root cause of economic and social deprivation and despair."

"We extend our heartfelt sympathy to the people of Trinidad and Tobago who may have lost life and property, in particular our sympathy goes to the prime minister and his Cabinet ministers for the traumatic experience they faced," the group said.

British Virgin Islands

Authorities Freeze Iraqi and Kuwaiti Assets

FL1508163290 Bridgetown CANA in English 1521 GMT 15 Aug 90

[Text] Road Town, Tortola, Aug 15, CANA—British Virgin Islands authorities have ordered local banks and trust companies to freeze Iraqi and Kuwait assets in compliance with two United Kingdom Orders in Council banning trade with the two Middle East countries. A statement from the government of the self-governing British colony said the Caribbean Territories (control of gold, securities, payments, and credits: Kuwait and the Republic of Iraq) Order 1990 took effect on August 6, barring financial transactions with the governments of Kuwait and Iraq and with residents of those countries. Persons failing to comply with the order face, on summary conviction, a fine not exceeding U.S.962.55 dollars or a jail term of not more than six months.

The Iraq and Kuwait (United Nations sanctions) Dependent Territories Order 1990 became effective August 9 following the adoption of a resolution by the United Nations Security Council calling for sanctions against Iraq and Kuwait. This order includes prohibitions on the importation of Iraqi and Kuwait goods into the territory, the supply of goods to Iraq and Kuwait, and the transportation of goods to or from those countries.

"It's impossible to know how much Iraqi or Kuwait money is present in the territory because, if it's here, it's probably distributed among the many financial institutions doing business in the BVI making it difficult to trace," said deputy financial secretary, Glenroy Forbes.

Kuwait is an oil-rich former British colony which gained its independence in 1961 but was annexed by neighbouring Iraq earlier this month.

Dominican Republic

Strike Casualties Rise to 10 Deaths, 30 Injured

FL1508125990 Bonaire Trans World Radio in English 1130 GMT 15 Aug 90

[Text] At least 10 people are reported dead, 30 injured, and 1,500 arrested in the wake of a general strike in the Dominican Republic. The 48-hour strike was to have ended last night but organizers say the work stoppage may be extended if the government fails to stop violence against protestors. Eduardo Feliz of our TWR Spanish Department in Santo Domingo describes the effect of the strike.

[Begin recording] [Feliz] The effect is terrible because the office is closed and many people need gas. Many people.... the school is closed.

[Reporter] When prices rise by as much as 100 percent, what does that mean to the people?

[Feliz] For the people it is not easy to obtain [word indistinct], gas, and milk.

[Reporter] Are the people able to buy what they need?

[Feliz] No, the price is very high. It is not possible because the salary is down. The government put only 30 percent and sometimes go to the supermarket and it is not possible for you to obtain [word indistinct]. [sentence as heard]

[Reporter] Is it dangerous to be in the streets at a time like this?

[Feliz] Yes. The people are very dangerous because is no possible for [words indistinct]. [end recording]

That is Eduardo Feliz of our Spanish office in Santo Domingo. The action by the unions was taken to protest an austerity program instituted by President Joaquin Balaguer. The program is tied to an economic solidarity pact between the government and the private sector. The Dominican Government says it will not reverse any of the price increases.

Strike Lifted After 13 Killed

FL1508175090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 15 Aug 90

[Text] At 0600 [1000 GMT] today, the strike that had brought the country to a standstill for two days was lifted. It had resulted in 13 dead, dozens of injured, and numerous arrests.

The end of the strike was announced by union leader Nelsida Marmolejos and neighborhood leader Virtudes Alvarez, who spoke in the name of the group of organizations that had sponsored the strike to protest the most recent measures issued by President Joaquin Balaguer and to demand various rights.

Marmolejos and Alvarez also announced that protests will be held at the national level on 22 and 23 August if the government has not responded to the demands of the group of mass, labor, peasant, and professional organizations that participated in the strike.

Jamaica

Soldiers To Remain on Islands Until End of Month

FL1508150790 Bridgetown CANA in English 1419 GMT 15 Aug 90

[Text] Kingston, Jamaica, Aug 15, CANA—Jamaican soldiers, dispatched to Trinidad and Tobago earlier this month as part of a Caribbean force, will be withdrawn at month-end, Acting Prime Minister P.J. Patterson said. In the meantime, Patterson said the 50 soldiers making up the Jamaican contingent would be rotated in keeping with a decision to extend the stay of the troops in Trinidad and Tobago in response to a request from the Port of Spain government.

Caribbean troops were called into Trinidad and Tobago to help local security forces maintain law and order following an abortive coup attempt by rebels belonging to the Jamaat al Muslimeen Muslim group. The first batch of 50 soldiers who went into the twin island Republic with the Caribbean force, will be relieved this weekend when another group of 50 soldiers leaves for Port of Spain.

* Groups Interested in Privatized Banks Named

90CA0089A Monterrey EL NORTE in Spanish
28 Jun 90 p 15A

[Article by Francisco J. Villegas]

[Text] The new Banking and Credit Regulatory Law, which is subject to approval by the Chamber of Deputies, has "kicked off" competition for the purchase of Mexico's 18 banks.

The regulations, which were announced yesterday, would allow financial groups to own as much as 100 percent of a bank stock. These entities, which have been hurriedly established in recent years (de facto, albeit not officially) will be the "breeding ground" of new bankers.

The guidelines have also quickened the pace at which financiers and industrialists are forming alliances, a process that began some months ago, with an eye towards putting together the groups that will control the banks, in which foreign investors will also have a minority interest.

What are the main private financial groups that have formed around stock brokerage firms? In what banks do they have an interest, according to comments in financial circles?

Monterrey Bankers...

Financiers from Monterrey will play a key role in shaping the new banking industry.

Abaco, the firm that Jorge Lankenau heads and that was created in 1985, has shown an interest in Banorte. This financial corporation recently set up the first stock brokerage center in Monterrey.

At present Abaco owns Abadivisas, Seguros del Pais, Abafactor, and Arrenda.

The group of investors headed by Eugenio Garza Laguera, who control VAMSA, is mentioned as one of the main bidders for Serfin. VAMSA controls Seguros Monterrey, among other companies, and a portion of the Casa de Bolsa Acciones Bursatiles.

This bank was the property of VISA [Industrial Securities] before Lopez-Portillo nationalized it in 1982.

VAMSA began to take shape as a financial group immediately after the expropriation of the banks.

Alfonso Romo Garza, the businessman who heads the Grupo Pulsar, is another major figure in the Monterrey business world who has been mentioned as a potential banker.

In less than six years Romo has succeeded in putting together a major business conglomerate, Pulsar Internacional, which comprises financial firms (such as Casa de Bolsa Vector and Seguros la Comercial), industrial firms (like Cigarrera La Moderna and Tapetes Luxor), and food companies.

...and the Others

A dozen other businessmen, mainly from the capital, are also being mentioned as bidders for the banks.

One of them is Roberto Hernandez, the head of Acciones y Valores de Mexico, one of the country's biggest brokerage firms. Hernandez has been pursuing a bold strategy of buying up bank shares since the middle of last year. His strategy has been emulated by most brokerage firms this year. The trend has prompted an average rise of 176 percent in bank-share prices so far this year.

He and his main partners, including Alfredo Harp, have a foothold in a half-dozen banks.

The Accival group has its sights set on Banamex. Sources in these circles say that the partners in this brokerage firm easily own 10 percent of this institution's capital contribution certificates (CAP's), which entitles them to two seats on its Board.

A sizable transaction that Hernandez devised elicited a great deal of commentary recently. It involved the sale of 21 percent of the shares in Casa de Bolsa Cremi.

The stock was acquired by Casa de Bolsa Interacciones, whose main owner is Carlos Hank Rohn, the son of the current agriculture secretary.

The Brener brothers, Israel and Pablo, who own the Casa de Bolsa Value (previously Comercial), are also often mentioned as eventually owning a bank or belonging to a controlling group. The Breners head up the shareholders in Mexicana Airlines, Camino Real hotels, and a group of sugar mills.

Former banker Carlos Abedrop Davila, the main shareholder in Casa de Bolsa Fimsa, could also be back in the business from which he was removed in 1982.

Another of the financial groups that will seek to consolidate its position in Mexico's financial market will be Probursa, which is headed by Jose Madariaga Lomelin.

Madariaga recently said that he was interested in acquiring the Multibanco Comermex [Comermex Full-service Bank] or Internacional.

The financial group that Madariaga heads owns an insurance company, a financial institution, and a financial engineering company.

The Casa de Bolsa Inbursa, which is owned by Carlos Slim Helu, who is active in financial quarters, plans to form the Grupo Financiero Carsu by incorporating the services that Seguros de Mexico offers into Inbursa. Financial circles indicate that he is interested in Bancomer.

Many of the businesses that he currently runs used to belong to Manuel Espinosa Iglesias, the former owner of Bancomer.

Operadora de Bolsa [Stock Trading Brokerage House], which recently put together a financial group that includes Gaston Luken, has also shown interest in a bank.

Last month it expanded its capital by some 160 billion pesos (some of these new funds came from Monterrey investors who are connected with Vitro and CYDSA [Cellulose and Derived Products], among other companies).

The Financial Groups

Stock Brokerage House	Companies in the Group	Bank in Which They Are Interested
Abaco	Abadivisas	Banorte or Banpais
	Seguros del Pais	
	Abafactor	
	Arrenda S.A. de C.V.	
Acciones Bursatiles (ABSA)	ABSA Divisas	Serfin
	Seguros Monterrey	
	Fianzas Monterrey	
	Arrendadora Monterrey	
	Almacenadora Monterrey	
	Arrendadora Financiera Monterrey	
Acciones y Valores	None	Banamex
Value	Casa de Cambio Value	A large bank in partnership with another
Cremi	Grupo Nacional Provincial	A medium-sized bank
	Credito Afianzador	
	Compania Mexicana de Garantias (bonding)	
	Cambinter (exchange office)	
Fimsa	Seguros Olmeca	Internacional
	Americana de Fianzas	
	Ingenieria Financiera	
Inverlat	Fomento de Divisas	Medium-sized or large bank
	Seguros America	
	Factoraje Inlat	
	Comercializadora Inlat	
	Arrendadora Inci	
Mexival	Arrendadora Plus	Medium-sized bank
	Factor Plus	
	Seguros Constitucion	
Operadora de Bolsa	Consultoria Internacional	Bancomer or Banamex
	Factor Aurum	
	Operadora de Metales	
	Consultoria de Cobertura de Riesgos	
	Macroasesoria Economica	
Prime	Primdivisas	Atlantico
	Seguros Interamericana	
	Fianzas Mexico	
	Arrendadora Prime	
	Almacenadora Prime	
Probursa	Profacmex (factoring)	Internacional or Comermex
	Arrendadora Proactivos	
	Fianzas Modelo	

The Financial Groups (Continued)

Stock Brokerage House	Companies in the Group	Bank in Which They Are Interested
	Prodivimex (exchange office)	
	Seguros Azteca	
Valores Finamex	Factor Finamex	Medium-sized bank
	Seguros Progreso	
	Procadi (exchange office)	
Vector	Seguros La Comercial	Banpais
	Factor Mexicano del Norte	
	Arrendadora Mexicana del Norte	
	Vectodivisas	
	Almacenadora del Nordeste	

Note: Most of the financial groups do not yet have a name. We indicate here the stock brokerage firm around which the other financial institutions have emerged.

El Salvador

Government Issues Communique on Peace Talks

PA1508153990 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Aug 90

[Text] The Salvadoran Government stated today that for the sake of peace in the country, the complexity of the military issue should not be used as an excuse to prevent the signing of specific agreements at the upcoming round of negotiations.

In an official communique, the Salvadoran Government states that it believes there are favorable conditions for the attainment of new agreements during the upcoming round of negotiations, which will be held to seek an overall and definitive solution to the country's armed conflict.

Similarly, the government hopes that the new peace talks will be held in a positive atmosphere and that they will disregard the inflexible positions and arguments of people or groups of people who do not respond to the Salvadoran people's legitimate aspirations.

In the communique, the government also praises the work conducted by UN mediator Alvaro de Soto.

Coprefa Reports Guerrilla Casualties in Fighting

PA1508140690 San Salvador Radio Cadena YSU in Spanish 1200 GMT 14 Aug 90

[Text] The Salvadoran Army today reported that the guerrillas sustained 22 casualties in recent fighting in La Libertad and Cuscatlan Departments. The Armed Forces Press Committee [Coprefa] reported that seven Farabundo Marti National Liberation Front [FMLN] guerrillas were killed, and 10 were wounded, in fighting in La Loma Tenango, near Suchitoto. Coprefa did not report any Army casualties in this attack.

Another clash took place near Quezaltepeque's jail, where four guerrillas were killed and one was wounded. No Army casualties were reported among the artillery brigade soldiers involved in the fighting. In San Salvador, unidentified persons shot and killed Police Sergeant Efraim Antonio Mena Guardado, who was on leave. The sergeant was murdered inside a route 34 bus on 4th Western Street and 3d South Avenue. The reports added that Atonal Battalion soldiers destroyed an FMLN camp, near Berlin, north of Usulutan Department. The soldiers found the body of one soldier and military materiel. The Lempa River Hydroelectric Executive Commission [CEL] announced energy will be rationed in different sectors because of increased sabotages of electricity lines by FMLN guerrillas. According to official reports, the affected areas will be northern and southern San Salvador, as well as the Escalon and San Benito neighborhoods. CEL also reported two electricity lines were blown up in the Northern Trunk Highway at the 28 km marker in San Salvador.

'Sabotage' Leaves Sectors Without Electricity

PA1608021590 Panama City ACAN in Spanish 1556 GMT 14 Aug 90

[Text] San Salvador, 14 Aug (ACAN-EFE)—Official sources reported today that continuous sabotage against the electricity system has left the northern and eastern zones of El Salvador and part of San Salvador virtually without electricity.

The sabotage, which has intensified in the past few days, has affected the departments of Morazan and San Miguel in the eastern sector of the country. The sabotage has also affected the northern Department of Chalatenango.

Official sources reported that several sectors of the capital will be affected today by the energy rationing that will be implemented by the state energy enterprise.

According to military sources, in the past few hours Farabundo Marti National Liberation Front (FMLN) guerrrillas have destroyed several structures of the electricity system in the northern sector of San Salvador.

The clandestine station Radio Venceremos reported yesterday that over the past week the guerrillas destroyed 18 structures of the electricity system by sabotage in several zones of the country.

Civil Defense Groups Get Human Rights Training

PA1508180990 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Aug 90

[Text] A seminar on human rights was given at the Salvadoran Military School today. The seminar was addressed to civil defense commanders. This seminar partly fulfills the Costa Rican agreements signed by the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front].

In the last few days, Colonel Rene Emilio Ponce, chairman of the Armed Forces Joint Chiefs of Staff, has toured various military garrisons to tell his troops about the normal operational procedure. This is in compliance with the agreements signed by the government and the FMLN before the UN mediator in San Jose, Costa Rica.

On Tuesday, 14 August, the High Command started the second seminar on human rights addressed to all local commanders of the country's civil defense groups.

[Begin undentified speaker recording] Regardless of which of the conflicting sides commits human right violations and regardless of the identity of the person who commits the violation, these individuals will be punished according to our country's laws and will be condemned for their actions by the international community. [end recording]

In addition to the lengthy explanation on the importance of the international agreements, which were signed by El Salvador and which seek to guarantee respect for human

rights, the seminar also included an explanation of the normal operational procedure.

The military chiefs emphasized two aspects. The new procedure strictly forbids civil defense members from carrying out arrests, but it specifies that they can arrest people who are caught red-handed either during the day or at night. Such an arrest would not even need a judicial order.

New Organization for Arrested Persons Formed

PA1608043390 San Salvador LA PRENSA GRAFICA in Spanish 9 Aug 90 p 7

[Editorial: "Information on Arrested Persons"]

[Text] The Supreme Court of Justice has created an Arrested Persons' Information Department to avoid arrests being arbitrarily concealed. This unfortunately common practice is one of the phenomena that has generated the most criticism, locally as well as internationally. Therefore its eradication is truly very important for progress in establishing a really trustworthy system of justice. We cannot and should not conceal that, aside from the serious failures in the justice and administrative system in processing legal cases, the proliferation of abuse has become an everyday occurrence during the initial phase of investigations—a police department responsibility. This is a manifestation of an evident lack of institutional development, and also a sort of culture of intimidation that has proliferated in our society for some time. We are talking about generalized wrongdoing that has to be overcome at all levels so that democracy becomes more active and effective.

According to the report, this office will have a register of all arrests, which would be reported to the department within 24 hours. This obligation extends to judicial, as well as administrative authorities. The information kept at the department is for public use and should be made available immediately to anyone who may request it. This means that an arrest can be checked almost immediately, as long as the respective authorities comply with the obligation of reporting the arrest to the department. Strict compliance to this obligation is a responsibility of great magnitude, and one cannot forget that every day our democratic process gains the credibility that the nation requires when there is true respect for human rights.

The Supreme Court's initiative is praiseworthy and on the right track for the institutionalization of the nation. It is not possible or patriotic to cover up past corrupt practices when the nation as a whole is preparing for a difficult, but hopeful, postwar era. The nation has to enter this era as honorably as possible so that efforts to return to normal conditions can ensure lasting peace. Subversion will not disappear overnight. Nevertheless, if institutionalization is secured and a state of law is strengthened, little by little the hostile forces will find themselves isolated, giving way to lasting stability in all fields.

Honduras

Soviets Asked To Conduct Study for Bus Service

PA1508161190 San Pedro Sula EL TIEMPO in Spanish 14 Aug 90 p 23

[Text] San Pedro Sula—Soviet technicians will conduct a feasibility study in this city during the first week of September to determine the possibility of installing a transportation service known as trolleybuses, according to Mayor Marco Antonio Hepburn, who was in Moscow for 15 days on an invitation by the Soviet Foreign Ministry.

Hepburn was accompanied by Carlos Guillermo Vallejos from the National Enterprise for Electric Power (ENEE) and by officials from the National Autonomous University of Honduras (UNAH), Maritza Salinas and Roman Osmin Lopez.

The official said that an agreement was signed with the USSR. The agreement consists of a request to conduct a feasibility study to implement the trolleybus system in the country.

Hepburn said that the advantages of this transportation system is that it is electric, comfortable, fast, does not consume fuel, and there is no pollution.

He said that this transportation system used in South America will help us save foreign exchange because it does not consume fuel, and the El Cajon hydroelectric dam would be exploited even more.

He said that the feasibility study that will be conducted in September is free. He added that the administration of this transportation system has not been decided yet, but he said it would possibly be administered by both public and private institutions.

Hepburn said he visited the USSR Chamber of Commerce in Moscow, where businessmen expressed their desire to participate in several expositions in Honduras.

He said the Culture Ministry talked about the possibility of sending music teachers to Honduras and of allowing Hondurans to train professionally in that field in that country.

He said the UNAH was interested in having this type of trolleybus service in Tegucigalpa to provide transportation service to students.

Nicaragua

Chamorro, CSFR's Havel Hold News Conference

PA1508134590 Managua Domestic Service in Spanish 1458 GMT 14 Aug 90

[News conference by President Violeta de Chamorro and Vaclav Havel, president of the Federative Czech and

Slovak Republic, with unidentified moderator and foreign and domestic reporters, in the Blue Room of Managua's Augusto Cesar Sandino Airport—live]

[Text] [Chamorro] Dear friend President Havel, his retinue, reporters, and diplomatic corps:

This meeting, or this visit, by the president to Nicaragua is a source of pride for us Nicaraguans because the president and myself have the same ideas and thoughts about the reconstruction of our homelands and about ideological changes.

This has filled me with great pride because we have had an opportunity to talk at length. We found that we hold the same views about the way he received his country, about how I received mine, and about how we will gradually try to improve our countries for the good of our peoples—of both Czechoslovakia and my homeland, Nicaragua.

I feel this is a wonderful occasion. This is his first visit to Latin America and we Nicaraguans feel that his visit to this country... [changes thought]. He felt the desire to visit Nicaragua, and we have had an opportunity, as I said, to talk at length and to continue establishing a bond of friendship. The president has asked me to establish a tie of brotherhood between Prague and Managua. It is a source of pride for us Nicaraguans to maintain a great tie of friendship linking Prague and Managua.

As you have heard, the economists have talked with their representatives. I think it has been a very good thing with a great future. The debts we inherited are very large; we will settle them little by little.

Thank you very much, Mr. President. I hope that this is not your last visit to Nicaragua. Also many thanks to the Czechoslovak ambassador for helping us with the translation. Many thanks to all of you.

[Moderator] President Havel, please.

[Havel] I would like to repeat what I said upon my arrival in Nicaragua. The fact that I decided to visit Nicaragua during my first Latin American tour is not a coincidence. We have come here because we wanted to greet your newborn democracy.

We wanted to greet a country, whose problems we know well because its problems are very similar to those we are facing at home.

We have only stayed here for one day, but I think we succeeded in establishing a friendly relationship with Mrs. Violeta and the cabinet members. We also had a chance to do some sightseeing.

I was personally pleased to confirm what I read in the newspapers a few years ago. I have now met those who wrote those reports in the newspapers.

You have just been informed about the signing of an agreement or a communique, including an economic agreement and an agreement between our two countries' foreign ministries.

Although we did not sign any other agreements, we verbally agreed on a number of things that will strengthen relations between our two countries.

I will now give the floor to our news conference moderator so that we can begin our news conference. Please.

[Moderator] We will now begin a brief question and answer period before President Havel's departure.

The reporters who will have the floor are in this order: Dora Lisa Pirarte from Associated Press and (Pedro Sauces) from THE MIAMI HERALD and CNN. Please go ahead, Dora Lisa.

[Pirarte] In view of the serious economic crisis in Nicaragua, how does your country expect Nicaragua to pay you the 150 million it owes you? In other words, when will Nicaragua pay off this debt? The new Nicaraguan Government just took over its office, and it has received a very limited amount of foreign assistance. Do you expect Nicaragua to use that assistance to pay off its debt to your country?

[Havel] I would like to say that in his document, our economy minister mentions the debt Nicaragua owes Czechoslovakia. That is his duty. That is what he is getting paid for as minister. We appreciate that the present government recognizes the debt because it has priorities left over from the previous government.

I am also being paid as a government official. I want to say that we are also seeing the political aspect of this debt. We by no means want to pressure the Nicaraguan people to pay this debt in conditions unfavorable to the country. I would say the opposite. We are going to try to solve this matter to our mutual benefit. There are several forms of settlement. Our leaders also spoke of that. We are going to see how Czechoslovakia can participate in Nicaragua in investment projects, in the preparation of cadres, and in education programs. The document also mentions the specialists that will carry out these projects.

[Moderator] Don Pedro Cortez.

[Cortez] My first question is about Central Europe, and particularly from someone who has been close to Mikhail Gorbachev. What do you feel about what is happening in the Soviet Union?

My second question is, what requires more imagination, ruling a country or writing?

[Havel] In answer to your first question: The truth is that currently the Soviet Union is experiencing one of the most dramatic situations of its history. It seems that the revolution is leaning toward more independence for the nations of the Soviet Union. At the same time, it is

leading toward a democratic system. It will be a long and complex process, but I do believe and am convinced that it will develop peacefully.

As for your second question, I would say from personal experience that I feel much better about writing because that is what I have been doing all my life. However, I am also getting used to this political position that I now have.

[Reporter] I have two questions for President Havel and then perhaps Mrs. Chamorro can [words indistinct]. The questions are: What effect will the Persian Gulf conflict have on Czechoslovakia? What is your position regarding this conflict? These are the questions for President Havel. The questions for Mrs. Chamorro are: What countries will you visit on your world tour, and what is the purpose of the tour?

[Havel] Czechoslovakia, like practically the entire international community, rejected Iraq's armed intervention in Kuwait and joined the wave of protests for this invasion. We also implemented measures against Iraq, such as stopping our war materiel exports to that country and took other steps which will, undoubtedly, hinder our economy. We also foresee that the Soviet Union will decrease its petroleum shipments to Czechoslovakia.

Regarding your second question, we will go from here to Mexico for an official two-day visit, and after that we will return to Czechoslovakia. The main objective of this trip is, of course, to reaffirm our relations with all countries after the democratic changes in our country. We want to continue relations and strengthen them and that is why we have visited Europe, the United States, Canada, and are now visiting Latin America for the first time. We are also interested in and will visit Asia in the future. We want to continue to reaffirm our relations with the rest of the world, although, of course, we cannot visit all the countries in the world simultaneously.

[Chamorro] You ask me, young man, and my answer is that [words indistinct] is the first time I leave the country, and it will be at the end of September. I will probably visit Mexico for a few hours—maybe 24 hours. Then I will go to the United Nations in New York where I will meet with many presidents. There will be presidents from Latin America, North America, South America, Europe, and everywhere at the UN. I believe President Havel will also be there. I also have an invitation to talk about children there. Then I will go to Washington to present my respects to President Bush. It will be an official visit. After that, I will probably visit the Soviet Union and then Caracas, Venezuela. As you know, all presidents have to travel to present their respects, strengthen relations, and try to improve relations with all countries and make them more fraternal and united. [Words indistinct] mainly because of our debt problem with this country. We have to see how we are going to solve this problem so that later on Nicaraguans do not have to cry so much.

[Moderator] We want to thank all the journalists for their presence. Unfortunately, President Havel has to leave to take his airplane to Mexico. Thank you. Thank you, Mr. President, for your visit.

[Translator, interrupting] One moment, please. The president has something more to say.

[Havel] To end this news conference, I would like to thank the Nicaraguan delegation for its warm reception and journalists for their attention during this conference. I would also like to point out that this big airplane did not only bring me but also brought medicine for the Atlantic coast victims. Thank you.

[Chamorro] I would like to say a bit more. I have promised President Havel that I will visit his country next year. He has invited me, and although I cannot go right now, I have already made a formal commitment to do so. I will go to Czechoslovkia next year.

Lacayo on Concordance of Ideas With Gen. Ortega

PA1608034090 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 90

[Text] There is no political pact between Violeta Chamorro's government and the Sandinists. There has simply been a certain concordance of ideas between Antonio Lacayo and General Humberto Ortega concerning Nicaragua's future. Gen. Ortega's Sandinism agrees with the political ideas of Antonio Lacayo, who is President Violeta Chamorro's closest adviser.

Presidency Minister Lacayo has asserted that Gen. Ortega's influence is important to move into the future and to guarantee a regime of freedom in Nicaragua. This very regime would allow Sandinism to struggle to attain power again. Antonio Lacayo has said: We must forget the past, when the winner made the loser disappear from the political scene.

Lacayo talked to this newscast about the affinity between Gen. Ortega's Sandinism and the new government's plans:

[Begin Lacayo recording] The best contribution that President Violeta Chamorro's government can make to this country's history is to break that cycle and turn Nicaragua into the homeland for all Nicaraguans. For that reason, Mrs. Violeta is constantly reiterating that she wants to be the president of all Nicaraguans. However, we are not used to that concept, especially because we unconsciously reject it. We want the winner to crush, destroy, and punish the loser. For that reason, during the most recent strike, the people demanded the declaration of a state of emergency, the government's strong hand, and punishment for the workers. It is almost like a temptation that we carry in our blood, because we have been brought up that way. We like heavy-handed governments. We like political leaders.

It would be ridiculous, however, for Nicaragua to persist on a history that must become the past, especially after

having had the opportunity to hold free elections; especially now that the world is quickly moving toward increasingly democratic systems; and especially now that the world is leaving behind postwar regimes such as those in East Europe, which are being replaced by democratic governments such as the one in Czechoslovakia, whose president is visiting us today.

During our meetings with Gen. Ortega, when we were preparing the process of transition, we realized that he, within the Sandinist Front, and I, within the then opposition and as a member of the new government, agreed on the possibility of Nicaragua overcoming that past. I say possibility, because the attainment of that goal will finally depend on the Nicaraguan people. It seemed important to me to realize that the Sandinist Front does have influential people like Gen. Ortega, who believe in that possibility as we do.

As I said at the beginning, this is not a political pact or a secret agreement, but a minimum agreement on something that could lead Nicaragua toward democracy. That is what this government wants to do, and I believe that some Sandinists deserve my respect in that sense, because we are trying to change our country's history and to insert it on a different course, which will allow both political winners and losers to have equal freedom and rights and the same political opportunities to start preparing for the 1996 elections as of now. In those elections, the winner should simply be the party that succeeds in presenting the best program for the country's development.

This new course in our history would give the Sandinists themselves an opportunity that any past government would have denied them. I think that is why Gen. Ortega and myself agree on some aspects. In my opinion, this affinity is rather encouraging, because if we cannot even agree on what [words indistinct] should be discussed in this country, our country would have a very small opportunity for success. [end recording]

Officials on International Court of Justice Case

PA1508205690 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 14 Aug 90

[Text] Two top-level government officials have presented different points of view regarding Nicaragua's legal complaints against the U.S. Government at the International Court of Justice in The Hague.

Presidency Minister Antonio Lacayo said this morning that, based on Nicaragua's present cordial relations with the United States, the possibility of reaching an out-of-court settlement on the case in The Hague with the United States was being studied.

[Begin Lacayo recording] As I said previously, the government is studying the case based on our present relations with the United States. However, the government is aware of the limitations set by the Legislative Assembly in this respect. The past legislative session approved a law that forbids Nicaragua from reaching an out-of-court settlement or waiving compensations that are due us in The Hague case. The situation is very clear. Nicaragua will not unilaterally withdraw its complaint because this is not the action ordered by the International Court in The Hague. Nicaragua will try to reach a negotiated solution on this matter with the United States because there are good relations between Mrs. Violeta de Chamorro's and Mr. George Bush's administrations; these relations are based on cooperation and fraternity. The Nicaraguan Government will make a public announcement as soon as Nicaragua and the United States reach a joint agreement on a favorable out-of-court settlement. At that time, we will publicly report all the details of the negotiations and will specify the compensations that are to be received by Nicaragua. We will also give a full report on the matter to the Legislative Assembly. [end recording]

A few hours later, Foreign Minister Enrique Dreyfus stated he could not give details on this case case until after he presented his report to the Legislative Assembly.

[Begin Dreyfus recording] Anything related to this case has to be discussed later. Right now, all I can say is that we are gathering information to be presented to officials in charge of this matter. As you know, there is a foreign relations committee in Nicaragua's Legislative Assembly. It is my obligation—and it is also an act of courtesy—to report the case to the Legislative Assembly's foreign relations committee, presided by Ivan Salvador Madrid, before making public statements on the subject. [end recording]

Out-of-Court Settlement Considered

PA1608021390 Managua LA PRENSA in Spanish 13 Aug 90 pp 1, 8

[By reporter Julio Cesar Armas]

[Text] President Violeta Chamorro will go abroad soon to seek flexible resources to bolster our faltering economy. This was reported this morning by Minister of the Presidency Antonio Lacayo, during a news conference at the International Press Club.

The president's trip will probably be in September. She will go to Mexico and the United States, where she will speak at the United Nations. She will also go to Venezuela and probably to the USSR.

Lacayo said that the aid Nicaragua is getting is not flexible enough to bolster its economic plan. He said that the funds Nicaragua has received have been used mostly to service our balance of payments and to develop concrete projects.

Lacayo said that the central government's deficit is "monstrous." He said that the worst tax Nicaraguans are paying is inflation. That is why the government is trying to lower inflation as soon as possible.

He said that devaluations will continue at the rate of twice per week and average six percent. It will not be until September that the devaluations of the old cordoba will be reduced to once per week.

Lacayo assured that relief will be felt in December, when inflation will be practically controlled at about 12 percent per month, and not per week as is now the case.

He said that the problem of Colonel Javier Pichardo began in June, and after persuasion and warnings failed, the Military Council decided to dismiss him.

He said that contacts are being made for talks that should end in September with agreements on the country's active military forces, as with workers in the business sector and the government.

Lacayo failed to mention the political forces. He said that agreements signed with the National Workers Front (FNT) are being complied with.

He stressed that the government is building a firm democracy and is slowly eliminating poverty.

Lacayo said that the government's economic cabinet met over the weekend at the INCAE [Central American Institute of Business Adminstration] to analyze the Mayorga plan, because the government wants to implement an economic plan. The plan was analyzed by all the ministers connected with the issue.

He said that after a long debate, the Mayorga plan has been enriched, perfected, and consolidated.

He said that substantial progress has been made, and in what remains of this month the plan will be completed and will be ready for presentation in full to all sectors of the country.

He explained that the World Bank mission that visited Nicaragua last week had told the present government that the enormous efforts made by the previous government to correct the government deficit and stabilize the economy had been lost during the 60-day transition period.

Lacayo said that Nicaragua is not going to withdraw the suit filed by the Sandinist Government against the United States at the International Court of Justice at the Hague. He affirmed, however, that in wanting to maintain the best of relations with the U.S. Government, the new Nicaraguan Government will try to reach an out-of-court settlement, a negotiated solution.

Lacayo discarded the possibility of a new strike. He said that the last strike had taught the government and workers a great lesson—that a strike is not the solution to our country's serious economic crisis. Lacayo once again stressed that there is no pact with the Sandinists, except for the transition agreement, of which all Nicaraguans are well aware.

Panama

Linares Says Iraqi Vessels Can Transit Canal

PA1508234590 Panama City Circuito RPC Television in Spanish 2320 GMT 15 Aug 90

[Text] Panamanian Foreign Minister Julio Linares has announced that Iraqi vessels may freely transit the Panama Canal. He added that this decision was made following an assessment of the situation created by an embargo decreed by the United Nations against Iraq for invading Kuwait.

Further on Iraqi Use of Canal

PA1608003190 Panama City EL PANAMA AMERICA in Spanish 15 Aug 90 p A-1

[Report by Juan Pritsiolas]

[Text] Foreign Minister Julio Linares announced yesterday that Panama supports the UN decision to maintain a blockade against Iraq, but noted that there is a "legal" problem regarding the Canal Neutrality Treaty and the possibility of denying transit to a ship of the country controlled by Saddam Husayn.

The government official said that the topic has been discussed with Panama Canal Administrator Fernando Manfredo and informally discussed with U.S. Ambassador Deane Hinton. The topic has also been taken before the Foreign Ministry's National Council.

Linares explained that over the past seven years only two Iraqi-flagged ships have transited the Panama Canal, but that does not mean that another one will not be using it tomorrow. Therefore, this "matter of great importance" must be analyzed.

The foreign minister said that Panama, as a UN member, will fulfill UN Security Council resolutions 660 and 661, which approved the blockade against Iraq for invading Kuwait.

Nonetheless, Linares added that "it must be determined whether that resolution prevails over the Neutrality Treaty or if the Neutrality Treaty prevails over the UN resolution."

The Neutrality Treaty is a legal instrument intended to provide effective canal security based on equality among user countries.

Concerning another aspect, the foreign minister said that after talks with U.S. Deputy Secretary for Inter-American Affairs Michael Kozack, a new version of the Mutual Legal Assistance Treaty was drafted and must now be discussed and analyzed to introduce possible reforms.

Foreign Minister Linares explained that the draft will be submitted for consideration by the Foreign Affairs' National Council so that a joint report, with Finance

Minister Mario Galindo, the Attorney General Rogelio Cruz, and the Foreign Ministry, can be prepared for the president.

Lawyers Charge U.S. Army With 'Interfering'

PA1608001390 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Aug 90 pp 1, 22-A

[Text] Lawyers who severely criticized the former regime are now flabbergasted to see how "the monster of militarism is growing."

Lawyers Juan Lombardi, Miguel Antonio Bernal, and Miguel Vanegas said yesterday during a news conference that "the soldiers who came to overthrow Noriega are like the visitor who goes to a wake and stays on after the funeral."

Lombardi, Bernal, and Vanegas—who were persecuted, beaten, and even imprisoned by the former regime—are now criticizing the U.S. Army, which ousted General Manuel Antonio Noriega's regime.

The lawyers are complaining that members of the U.S. Armed Forces, aided by the Panamanian Government, are interfering "in various phases of our everyday life."

During a news conference at the Executive Hotel, the three lawyers announced the beginning of an operation called "Enough is Enough."

Lombardi, Bernal, and Vanegas said that they chose 9 August to make their announcement because it is the birth date of Justo Arosemena, father of the nation. Arosemena was the spiritual guide of the lawyers.

After explaining their goals, the lawyers charged that crimes had been committed against the state and against the people's good faith. They also charge that activities which should be done by Panamanians have been taken over, and illegally acquired goods are being used.

Of the four charges, two were filed at the Panama District Court, one at the Prosecutor's Office, and the other at the Attorney General's Office.

The two charges presented at the District Court concern "assuming public functions" and "the usage of illegally acquired goods."

At the Prosecutor's Office, charges were filed for crimes against the people, and at the Attorney General's Office, charges were filed for crimes "against the state's international image."

In their charge of "assuming public functions," the lawyers accuse "the U.S. soldiers of participating illegally in operations conducted by the Panama Public Force and the Judicial Technical Police."

The lawyers claim that the U.S. Armed Forces "are engaged in functions with the Panamanian authorities, either jointly or by themselves." The lawyers say that "Panamanian law does not allow the participation of a foreign army in activities that should be done by the national authorities."

The lawyers say that the U.S. soldiers are "guilty of assuming public functions."

As for the crime of using illegally acquired goods, the lawyers "formally charge Generals Maxwell Thurman and Marc Cisneros," because after the invasion and the dismantling of the ill-named Panama Defense Forces, the U.S. soldiers publicly bought weapons that the Panamanian Government had delivered to the Defense Forces. These weapons were for the defense of national sovereignty. However, Manuel Antonio Noriega had given these weapons to the so-called Dignity Battalions and members of the Codepadi's [Committees for the Defense of the Fatherland and Dignity]. It is common knowledge that those weapons belonged to the Panamanian Government. Therefore, "obtaining or buying these weapons from an illegal source constitutes a crime, as stated in Article 364 of the Penal Code."

The lawyers accuse Generals Thurman and Cisneros of crimes "against the state" because during the 20 December invasion "files and property belonging to the Panamanian nation were left unprotected."

The files were seized and guarded by the U.S. Army. According to the lawyers, "the files, which belong to the Panamanian Government, are needed as evidence in cases that have been filed or that are pending charges of soldiers who have the disgraced the uniform of the institution entrusted with defending national sovereignty." The lawyers claim that "the attitude assumed by the U.S. authorities could hinder Panamanian authorities in their task of recovering government property and administering justice."

The three lawyers also accuse Ricardo Arias Calderon, first vice president of the Republic, and minister of government and justice, and Ramon Lima, vice minister of government and justice.

These men are accused of crimes "against the nation's international image" because "the intervention by U.S. troops in activities that should be undertaken by the Public Force and the Judicial Technical Police diminishes the Republic's independence." Diminishing the Republic's independence is a crime against the nation's international image; "therefore, the institution is responsible for allowing and authorizing that intervention is incurring in that crime." In this case the institution is the Ministry of Government and Justice.

'Thousands' of Students, Professors March

PA1508143890 Panama City Circuito RPC Television in Spanish 1730 GMT 14 Aug 90

[Text] In order to pressure the government to authorize a larger budget for the University of Panama and to respect the autonomy of the university, thousands of

university students, professors, and administrative personnel marched to the Panamanian Presidency this morning. The march was headed by University Rector Abdiel Adames and other high-ranking university authorities.

The march, which was conducted in complete order, went along Central Avenue up to Cathedral Park, where several speakers participated in an impromptu rally. All the speakers agreed that the university needs more financial support from the government.

Professor Miguel Angel Cantanero, University of Panama secretary general, made the following statements regarding the objectives of the march:

[Begin Cantanero recording] Today's march is a message for the Panamanian Government. This is a message of struggle in defense of a budget that is more fitting to the needs of the university. It is a message of total opposition to the recent and repeated violations of the university's autonomy and to all attempts to reform the university's internal law behind the back of the university community. We have come here to tell the president that the university of Panama cannot remain silent before the country's serious problems. Our country has been invaded and occupied. Our country urgently demands the consolidation of its sovereignty and full independence. Our country demands prompt solutions to its social, economic, and political problems. However, it demands solutions that will really respond to the interests and aspirations of all our people and not just to the interests of a few groups from abroad. This is the voice of the University of Panama; this voice represents the interests of the university community and also of the overall Panamanian community. [end recording]

After the rally, a university commission headed by Rector Adames and comprising student and professor representatives delivered a list of demands from the various university groups.

The president promised to fulfill the students' demands, always bearing in mind the interests of the Panamanian community.

Argentina

Government Bans Imports From Iraq, Kuwait

PY1508235590 Buenos Aires TELAM in Spanish 2138 GMT 15 Aug 90

[Text] Buenos Aires, 15 Aug (TELAM)—It was officially reported this afternoon that the Argentine Government has approved the UN Security Council resolution ordering all member countries to refrain from importing products from Iraq or Kuwait.

The executive branch adopted this measure through Decree 1,560. In its preamble the decree states that the UN Security Council, exercising its legitimate powers, adopted some resolutions "in the face of the occupation of Kuwait by Iraq, which has affected international peace and security as well as Kuwaiti sovereignty, independence, and territorial integrity."

Menem Criticizes Attitude of National Leadership

PY1508185090 Buenos Aires DYN in Spanish 0050 GMT 15 Aug 90

[Text] Buenos Aires, 15 Aug (DYN)—Tonight President Carlos Menem announced the creation of a dollar-based grain market. In a speech, Menem harshly criticized the "entire Argentine leadership," especially "those politicians who are nothing more than caricatures of the real politicians who are serving the people."

The announcement and criticisms were made in a speech he delivered on the 126th anniversary of the Buenos Aires Grain Market.

Menem announced the signing of a decree creating a dollar-based grain market "in response to the aspirations of this sector, allowing greater effectiveness and commitment to production."

However, the main part of the speech dealt with the idea that "the Argentine crisis is a crisis of its leadership."

He began by saying: "Our leadership has remained idle and attached to old, out-dated matters that are distant from the community's real needs."

Menem said: "No single individual is responsible for the Argentine failure," and that "there is no scapegoat capable of taking the blame for our ills, no one in particular is responsible for our decadence."

He rejected the "theory that a conspiracy is responsible for the national downfall," and demanded that "the Argentine leadership, the entire national leadership participate in this process."

He added: "I know very well, everyone knows, that society is questioning the politicians who are nothing more than caricatures of the real politicians who are serving the people."

Menem said that "politicians are not the only ones who should be blamed for the current situation because they are not the only ones who governed the country in the last decades."

He said: "Just as there are no great messiahs for reconstructing Argentina, there are also no perfect devils who can be criticized for their mistakes."

In direct reference to the plebiscite on reforms to the Buenos Aires Province Constitution, Menem said: "The question is to turn the 'no' vote into a positive message from the people to the leaders, who have great responsibilities at the highest levels in the country."

Menem called on the people to say "yes to clear decisions and to significant, firm values, and not to bend to pressure; yes to genuine politics, economics, and society, and yes to updated thinking and ideas."

In a direct reference to the members of the grain market, Menem said: "The country and its people have the right to clearly know how grain is produced, processed, and sold."

He added: "Excessive sensitivity to the dissemination of information goes against legitimate grain activities." He said further: "In a democracy, debates should be public and clear."

Joint Technical Cooperation Agreements Signed

PY1508181090 Buenos Aires TELAM in Spanish 0049 GMT 14 Aug 90

[Text] Buenos Aires, 14 Aug (TELAM)—This afternoon the Argentine and Uruguayan Governments signed two agreements on technical cooperation and assistance for development of the border area between the two countries.

Representatives from the Uruguayan and Argentine Foreign Ministries signed an agreement with the IDB [Inter-American Development Bank] and with the Economic Commission for Latin America (ECLA) during a ceremony in the Golden Hall of San Martin Palace, seat of the Argentine Foreign Ministry.

The ceremony was presided over by Raul Carignano, under secretary for Latin American Affairs, who stressed the importance of the agreements because "they imply the beginning of a new regional border integration project."

In the document the two governments assert their determination to "persevere in the effort to obtain the integration of their peoples, promote greater exchange in the border areas, and create better living conditions for their inhabitants.

The two countries also agreed on the need to "carry out as soon as possible (?scientific) studies on optimum exploitation of the region's human and natural resources."

Finally, the Argentine and Uruguayan Governments asked for "the support and understanding of the international community and multilateral organizations in order to ensure the continuation of these actions."

The ceremony was attended by IDB President Enrique Iglesias, who said: "These are initial and symbolic stages in which the IDB is convinced we are working for a good, necessary cause."

Carignano added that the objective of these agreements is "to perfectly design well-identified projects for cooperation between the Argentine and Uruguayan borders, along the Uruguay River."

He said these projects "are very important for trade promotion and common technical or economic border plans."

In conclusion, Carignano said that efforts made within the framework of the agreements that were signed today will be channeled through the two countries' existing border committees.

Brazil

Kuwait Embassy Activities 'Temporarily Suspended'

PY1508230090 Brasilia Domestic Service in Portuguese 2200 GMT 15 Aug 90

[Text] A Brazilian Foreign Ministry note issued today reports that the Brazilian Government has temporarily suspended the activities of its embassy in Kuwait but has not ordered its closure.

The note adds that the Brazilian Government has given instructions to the embassy on the withdrawal of Brazilian citizens from Kuwait, where there are currently no authorities recognized by the Brazilian Government.

Government Will Not Join Mideast Military Force

PY1508232890 Brasilia Domestic Service in Portuguese 2200 GMT 15 Aug 90

[Text] According to Brazilian Foreign Ministry Spokesman Jose Vicente Pimentel, the Brazilian Government will not take part in a military force against Iraq.

[Begin Pimentel recording] We hope this conflict will be promptly resolved through a negotiated solution. We hope this is achieved without bloodshed, without problems for either foreigners or Iraqi citizens that are in that region of the world, and without great problems for the world economy due to a shortage in oil supplies. [end recording]

Pimentel added that the Brazilian and Iraqi Governments are negotiating exit visas for all Brazilians in the Persian Gulf area.

Government Not Planning To Ration Oil Products

PY1608015790 Brasilia Domestic Service in Portuguese 2200 GMT 15 Aug 90

[Text] Infrastructure Minister Ozires Silva has said that the Brazilian Government is not planning to ration oil byproducts, but he did note that he will suggest a decrease in consumption to safeguard national oil stocks and reserves.

Ozires Silva said that, should the Middle East conflict continue, the Brazilian Government may change its position to adapt it to the prevailing international situation.

Collor, Paz Sign Agreement, Joint Declaration

PY1608032090 Brasilia Domestic Service in Portuguese 2200 GMT 15 Aug 90

[Report by Leury Balmaceda from Brasilia]

[Text] At their second working meeting today in Brasilia, the Brazilian and Bolivian chiefs of state signed three agreements and a joint declaration in which they reassert the friendship and cooperation ties linking the two countries. The two presidents also discussed issues of mutual interest, such as the Latin American integration process and the struggle against narcotrafficking.

Through an agreement on energy integration, Brazil has committed itself to buying about 500,000 kilowatts from Bolivia over a 25-year period. This energy will be supplied by a natural gas thermoelectric plant that the Bolivian Government will begin to build in 1992 in Puerto Suarez, on the Bolivian-Brazilian border near Corumba.

Bolivia needed to sign an energy agreement with Brazil to obtain $650 million in World Bank financing to build this thermoelectric plant and a gas pipeline from the plant to Santa Cruz de La Sierra.

Brazil committed itself to paying cash for 70 percent of the energy purchased from Bolivia, while the remaining 30 percent will be paid through trade deals.

After signing the bilateral agreements, Brazilian President Fernando Collor told his Bolivian colleague that Brazil and Bolivia have been dreaming of consolidating an integration process for many years.

[Begin Collor recording, in progress] ...another objective sought by Brazil and Bolivia today is to achieve development while remaining aware of the need to safeguard the ecology and human needs. We know that there will be no just societies while tragic differences (?continue) to exist. [end recording]

In addition to the joint declaration and the energy integration agreement, the two presidents signed three other accords. The first has to do with environmental protection on the Bolivian-Brazilian border; the second covers control of livestock production; and the third arranges for the opening of a Bolivian free port at

Paranagua port in Brazil's Parana State, for the free import and export of Bolivian products.

Joint Astronomical Pact With USSR Announced

PY1508210090 Rio de Janeiro O GLOBO in Portuguese 12 Aug 90 p 42

[Report by Ana Maria Arsenio]

[Text] Caxambu—Brazil will sign its first astronomical agreement with the Soviet Union, and it will have more to offer than to receive. The center of this story is simply a great star: the sun. Soviet representatives will arrive in Brazil next September to settle the final details.

The Soviets, who are already heavily involved in space with spacecraft and powerful telescopes, intend to offer Brazil their know-how [preceding word in English] in an apparently simple operation: observation of the sun during a total eclipse, which will take place on 11 July 1991 in a 300 km-wide strip—from the border between the Amazon region and Colombia to the border between Tocantins and Bahia States—and a partial eclipse that will be seen in all Brazilian capitals.

Astronomer Roberto Boczho from the Geophysical and Astronomical Institute (IAG) [Instituto Astronomico e Geofisico] of Sao Paulo University (USP) has been chosen by the International Astronomical Union to coordinate this project. Boczho said the joint work between Brazilians and Soviets will serve to improve several studies that have been under way for a few years on the solar crown (the external layer) and helium-seismology (variations that take place in the sun). [passage omitted]

The Brazilians and Soviets intend to install an eclipse observatory on Serra do Caximbo hill, Para State, where there is a military base that will provide the installation. [passage omitted]

The agreement, the details of which will be discussed in September, will be signed between the National Council for Scientific and Technological Development (CNPQ) and the USSR Academy of Sciences. The Brazilian astronomers met in Caxambu, south of Minas Gerais State, at the 18th annual meeting of the Brazilian Astronomical Society.

1990 Foreign Debt Payment Boosted To $7 Billion

PY1508171890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Aug 90

[Text] Brazil will make payments totalling $7 billion on its foreign debt this year. Even though the initial estimate was $5 billion, Brazilian foreign debt negotiator Jorio Dauster has said that the larger amount will not modify the negotiation strategy, adding that it will not entail any concessions to creditors.

Dauster noted that the $7 billion is in agreement with monetary control targets, public deficit management, and protection of the exchange reserve.

Central Bank Chairman Ibrahim Eris has said that if creditors impose extreme conditions for renewing credits, the government can do without the short-term credits granted by foreign banks. Short-term credits are used to finance foreign trade operations.

Chile

Five Bombs Explode in Santiago; No Injuries

PY1508133490 Buenos Aires DYN in Spanish 1119 GMT 15 Aug 90

[Text] Santiago, 14 Aug (AFP)—Carabineros sources have reported that five attacks with explosives occurred last night in Santiago. There were no victims.

The subversive attacks, for which no organization has claimed responsibility, caused very little damage. A bank branch and a telephone exchange were affected. Explosions also occurred in the elegant neighborhood of Vitacura, where people were alarmed.

A dummy device placed in the headquarters of the National Renewal opposition party mobilized the police, but there was no explosion.

On 10 August two Carabineros agents were murdered in an attack carried out by a commando of the clandestine, leftist Lautaro Rebel and Popular Forces.

Colombia

'Text' of Agreement on Constituent Assembly

PA1508201790 Bogota EL TIEMPO in Spanish 3 Aug 90 p 6C, 7C

["Text" of political agreement on the constituent assembly signed on 2 August by Cesar Gaviria, president-elect and national director of the Liberal Party; Alvaro Villegas Moreno, president of the Social Conservative Party National Directorate; Rodrigo Marin Bernal, on behalf of the National Salvation Movement; Antonio Navarro Wolff, on behalf of the M-19 [19 April Movement] Democratic Alliance; and Government Minister Julio Cesar Sanchez, as witness, in Bogota]

[Text] Cesar Gaviria Trujillo, president-elect and national director of the Liberal Party; Alvaro Villegas Moreno, president of the Social Conservative Party's National Directorate; Rodrigo Marin Bernal, on behalf of the National Salvation Movement; and Antonio Navarro Wolff, on behalf of the M-19 Democratic Alliance:

Whereas,

On 27 May 1990, the sovereign people overwhelmingly voted in favor of a constituent assembly that is to include representatives of the nation's political, social, and

regional groups; is nonpartisan; is democratically built to include the participation of all the sectors; and is limited in authority to reforming the political constitution to strengthen a shared democracy.

All political, social, and regional groups joined the people's 11 March and 27 May clamor for institutional changes, advocating the call for a constituent assembly. They also believed it to be convenient for the president to lead the process.

To fulfill the political mandate conferred by the people on 27 May 1990 within an atmosphere of national harmony, it is convenient for the representatives of the leading parties and political groups to reach an agreement based on the constituent assembly.

The Supreme Court, which ruled that Decree 927 of 1990 was achievable, recognized that the people's decision would allow "the possibility of forming a constituent assembly to reform the political constitution," and thus approved the appointment of a constituent assembly through the people's vote.

Seeking to achieve a consensus of the political groups' opinion on basic issues and to start the assembly activities, on 22 July 1990 the president-elect issued a proposal to the political parties and groups on the formation, integration, periods, organization, control, and convening the constituent assembly.

Based on that proposal, and after gathering the proposals presented by several social groups and hearing the people's opinion through the media, an agreement was reached concerning the guidelines that must be followed to convene the constituent assembly. These guidelines are designed to comply with the political mandate in such a way that all political, social, and regional groups of the nation may equally compete to attain representivity in the assembly through a democratic election.

Seeking to sponsor a national debate on the contents of the constitutional reforms, on 28 July 1990 the president-elect proposed an agenda to the political groups and outlined the principles that, in his opinion, should guide the process for constitutional changes.

The aforementioned agenda includes previous constitutional reform initiatives that would benefit the political, social, and regional groups of the nation, and it includes new issues that are equally important to the people.

The aforementioned proposal has started a healthy national debate on the reform initiatives related to the agenda, and, based on these initiatives, it has achieved a fruitful process of analysis that has allowed us to agree on the importance of studying the agenda—with the modifications suggested in the meetings held on 24, 26, 30, and 31 July, and 1 August 1990—and of developing reform projects.

The objective of this agreement will be the framework for the decree that will enable the sovereign people to determine the limitations of the Constituent Assembly and make sure it will fulfill its proper role.

Because this democratic process must go on, we are hereby inviting the people and particularly the nation's social, political, and regional forces to actively participate in the convocation and creation of a Constituent Assembly on 25 November 1990.

Therefore, we agree to this:

First

The following guidelines will be used to convene, create, and organize the Constituent Assembly:

1. A decree issued in accordance with Article 121 of the constitution will authorize the counting of the votes cast by citizens to convoke the Constituent Assembly. The government shall heed the corresponding Supreme Court of Justice's decision.

2. On 25 November 1990 citizens shall decide on the convocation of the assembly, the election of its members, the definition of the assembly's composition, and the agenda describing the scope of the assembly's powers.

3. The assembly's period of sessions shall start on 15 January 1991 and last 180 calendar days.

4. The assembly shall not debate matters other than those mentioned in the agenda approved by the people. In particular, the assembly shall not change the term of the officials elected this year, commitments made by the Colombian Government resulting from international treaties or the republican system of government.

5. The ensure that the assembly members are Colombian citizens and have been democratically elected just as the people established on 27 May 1990, the people shall determine the representation of the political, social, and regional forces by electing 70 members of the assembly according to the various jurisdictions. The election will be plurinominal. The electoral quotient and remainder method shall be applied in the election. The total number of votes cast in the national territory will be the basis. The members whom point seven refer to are excluded.

6. The political and social movements and forces shall make up their lists in a way that will ensure a healthy balance.

7. Two assembly benches shall be reserved for the guerrilla groups participating in a peace process under the leadership of the government and who have already demobilized. The names of these representatives shall be decided by the government and the demobilized guerrilla groups. The number of these representatives can be increased as the demobilization of other groups occurs, according to the government's assessment of the circumstances after consultation with the signatories of this agreement. To ensure the democratic genuineness of this

decision, the president of the Republic shall formerly designate these representatives.

8. The assembly members shall represent the entire nation and must vote with consideration only to justice and the common good.

9. To be a member of the Constituent Assembly, the following requirements must be met:

a. The candidate shall not hold any public position of political responsibility. He shall not represent private interests in public at the time his candidacy is registered. In such cases, entering his name as candidate to the assembly automatically entails his removal from the corresponding position or job and his employer shall recognize this as a fact. Any contracts that the candidate may have with a public entity, with the exception of those involving work as a teacher, shall be declared terminated at the time his name is entered as a candidate. The assembly members' remunerations shall be equivalent to those of congressmen.

b. The candidate shall be a Colombian-born citizen with full use of his legal rights. He must have held any of the following posts: president of the Republic, designate, congressional member, minister of the Presidency, head of the Administrative Department, head of a diplomatic delegation, department governor, state adviser, magistrate of the Supreme Court of Justice, the Higher Tribunal, the Litigation-Administrative Tribunal, or the Disciplinary Tribunal, prosecutor general or general comptroller. He may have been a university professor for at least three years or have been a professional with a university degree for no less than five years.

c. In the case of members of the assembly who belong to student or indian sectors, it will be possible to make an exception to the provisions of paragraph b regarding the filling of posts or professional activities, after demonstrating undergraduate studies for at least a year by means of a written certification issued by an education center and authenticated by the Education Ministry, or the condition of a leader of an indian organization for at least a year, as certified by the Government Ministry.

The above-mentioned exception will include all those who have been benefited by a pardon or a suspended case as a result of a peace process with the national government, as certified by the Government Ministry.

This exception will also be applied to those candidates to the assembly which at the time of the registration of their candidacy have been leaders of union, peasant, communal, or cooperative organizations for over a year, within the previous five years. In those cases, the authority that will have to certify the position will be, respectively, the Labor Ministry, the Agriculture Ministry, the Government Ministry, or the National Administrative Department of Cooperatives.

d. No citizen on trial or serving a sentence for any crime, requested in extradition, or member of an active guerrilla group will be elected to the assembly, unless through the exception in point 7.

10. The members of the assembly will have immunity as of the time of their election and, until the end of the sessions, their opinions and votes will be inviolable.

11. In order to elect the assembly members, the norms and procedures established by the Electoral Code to elect officials for state agencies will be assimilated and applied as established by the corresponding decree on a state of siege. That decree's text will be discussed with representatives of the political forces that sign this agreement.

12. The assembly's members will not be able to run for a state agency, neither in 1992 nor in 1994.

13. The assembly will make its decisions and approve reforms through a majority, except in those affairs which, according to the standing constitution, require favorable votes from two-thirds of those present.

14. The assembly will have the authority to approve its regulations. The president of the republic will present a regulations' project subject to prior analysis by the State Council's Consultation Chamber. The said regulations will cover the topics that regulate congress' internal operation for the handling of bills and will have to respect the minimum operation guidelines of a democratic state agency, such as respect for minorities, certainty of the place and date of their meetings, the right to verify the quorum, etc. Should there be no regulations regarding some matter which generates a vacuum, application, or interpretation problems, the general regulations of the senate of the republic will be applied. The president of the republic will discuss the regulations' project with the political forces.

The assembly will have 10 working days from the date of its installation to approve its regulations. If the approval is not achieved by that time, the project presented by the president of the republic will be adopted.

15. The assembly will have to approve a single text for the constitutional reform at the end of its term, which does not bar it from separately discussing and approving parts of that single text. Once approved by the assembly, the said text will be sent to the Supreme Court of Justice for it to decide whether the reform, in part or in whole, was issued in accordance with the agenda approved by the citizens in the 25 November 1990 vote. The regulations will also clearly point out the procedure's requirements. Compliance with these requirements will be subject to the court's constitutional control.

16. The agenda agreed upon for the institutional changes' national debate will be previously studied by preparatory commissions. These commissions are to be formed by experts and leaders of all ideological persuasions and political, social, and religious forces. They will include economic, civic, community, Indian, student,

youth, peasant, feminist, women, environment, human rights, and professional organizaions; pensioned civilians; Armed Forces and Police Corps personnel; ethnic minorities; state universities; and the Catholic Church and other religious organizations.

17. The preparatory commissions will be authorized to hold public meetings to hear national opinion and, thus, increase the range of proposals and enhance discussions.

18. The executive branch's advisory commission is to be formed by six persons designated by the president, who will try to have all the political forces represented. The advisory commission is to prepare the final draft of the program that is to be presented to the assembly. The government will be responsible for this document that is to have been previously studied by assembly representatives.

19. The national government shall have the initiative to introduce bills to be subject to debates at the assembly. The president and the ministers shall be allowed to speak in those debates, as established by the rules. The constitutional commissions of the congress of the republic, whose proposals shall follow normal procedures, shall also have the right to speak and submit bills. The organizations mentioned in point no. 16 will have the initiative and shall be allowed to speak to explain their proposals in the terms established by the rules. The Supreme Court of Justice and the state council shall be allowed to speak in the terms established in the rules. Guerrilla groups involved in a peace process headed by the government, shall be able to be heard, if the government so deems it, within the terms established by the rules. The spokesmen for these groups may not have matters pending with the penal justice system.

Second

To strengthen participative democracy, we agreed on the following topics that, after being approved by the people, shall determine the assembly's field of incumbency, and, thus, the content of the amendment:

1. Congress. The possibility of making amendments on the following points:

1.1. The establishment of some differences in the functions of the two chambers, such as tasking the Senate with approving international treaties and the chamber with studying, debating, and approving the budget.

1.2. The establishment of national districts for minority political groups and movements as the means to represent national interests.

1.3. Period of sessions. Possibilities of reviewing:

- The autonomy of the congress in matters of its sessions, so that it can meet on its own right, within the terms established by the rules.

- The extension of the ordinary period of sessions.

- The establishement of special sessions so as to exert political control or to hear matters pertaining to planning and the national budget.

1.4 The committees system. The possibility of:

- Conferring additional duties to permanent committees.

- Authorizing rules that regulate committees during the congressional recess period.

- Authorizing committes to summon individuals or corporations to special hearings to report on or participate in matters of national interest.

- Establishing new procedures to expedite sessions and debates.

- Establishing a legislative committee tasked with hearing matters related to the duties of the congress and the exercise of political control when the congress is in recess. These duties are, for example, issuing an opinion prior to the declaration by the government of a state of economic emergency, and issuing a ruling in favor of supplementary or extraordinary credits.

1.5. Review of methods to elect the comptroller general of the republic and attorney general of the republic.

1.6. Functions of congress. Possibility of:

- Strengthening the role of congress in the areas of planning and the national budget in order to expand its initiative and guarantee that these processes will be public, deliberative, and candid.

- Establishing curbs on the granting of special powers and mechanisms to exert control on the issuance of decree-laws to exercise such powers.

- Allowing some laws to establish deadlines for their own regulation by the government.

1.7. Legislative procedures. Possibility of:

- Extending the legislative initiative to include the citizens and the judicial branch with regard to matters pertaining to the administration of that branch.

—Regulating the [legislative] initiative of congressmen, deputies, and councilmen on matters concerning fiscal policy but not restricting the government's initiative concerning spending and, consequently, the abolition of the "parliamentary assistance [auxilios parlamentarios]." In addition, to prohibit an undue use of public resources through institutions directly or indirectly under the control of members of congress, departmental assemblies, municipal and district councils.

—Reviewing the Title on the drafting of laws and assigning to legislators the regulation of some of the matters included in that Title.

—Reviewing in particular the system of rejecting or signing bills [into law].

1.8. Strengthening of political control by congress.

- Possibility of eliminating some of the prohibitions in Article 78 which have prevented an effective exercise of political control by congress.

- Possibility of establishing motions to observe and to censure, defining their consequences.

- Possibility of revising procedures implying political accountability on the part of high-ranking officials to congress.

1.9. Rules regarding congressmen.

—Possibility of establishing rules on disqualifications, incompatibilities, and conflicts of interest.

—Possibility of establishing rules regarding accountability of congressmen through the establishment of specific causes and procedures regarding loss of investiture.

—Possibility of declaring a bench vacant in order to enable congress itself to ensure ethical conduct on the part of its members.

—Possibility of revising the rules on parliamentary immunity and the system for trying congressmen.

—Possibility of limiting or revising the system of alternates to fill absolute absences or certain temporary absences.

—Regulation of the system of commissions traveling abroad.

—Possibility of revising the system for the election of members of congress, preserving territorial jurisdictions for the origin of one of the chambers, which would not preclude the election of some members of the chamber through a national jurisdiction.

2. Justice and the Public Ministry

2.1. The possibility of providing the judicial system and the Attorney General's Office with the necessary legal tools to face terrorism and organized crime, thus allowing the law to regulate mechanisms such as changing who has the burden of proving the legitimate ownership of property, identification and punishment of certain people, plea bargaining in cases where collaboration has been effective, lifting corporate secrecy, judicial pardons, judges with multiple functions [juez plural], protection of the identity of judges and witnesses, reward payments, and significant increases of criminal, fiscal, and monetary sentences. The law should also regulate mechanisms for the creation of a special plan for the struggle against terrorism. This plan should include the possibility of creating specialized jurisdictions, exceptions to the principle of subjective responsibility [responsabilidad subjetiva], criminal sentences to prevent and punish terrorist actions, and special procedures listing the constitutional rights that could be suspended in order to efficiently confront this type of crime. Similarly, a law establishing the differences between a common, political, or terrorist crime should be created.

2.2. The possibility of establishing the basis of the prosecution system through the Attorney General's Office or other criminal investigation procedures.

The possibility of creating a law regulating the gradual implementation of the prosecution system that is considered most suitable as well as the determination of the crimes that will be subjected to that system. The possibility of continuing to use interrogative procedures in the handling of certain crimes, always guaranteeing respect for the universal principle of the due process of law.

2.3. Executive branch functions to enforce compliance with the constitutional principle of Article 119, Paragraph 2.

The possibility of transfering the handling of criminal investigations over to the executive branch in order to eliminate the strictly judicial character of that activity and to assist the judicial branch.

The revision of the procedures for granting pardons for political crimes.

2.4. The possibility of allowing the community's participation in the formation, organization, and operations of the judicial branch through institutions such as the justices of the peace, which will pass fair rulings. The possibility for the people to elect some of these "justices" types.

2.5. The possibility of establishing the principle of the democratization of and access to justice. The possibility of creating a law determining the legal cases in which citizens need professional representation and the way to guarantee the effectiveness of the aforementioned principle.

2.6. The possibility for the constitution to ensure that the methods used by administrative or police authorities to impose punishments will respect the due process of law and the other constitutional guarantees and that they therefore will include the presentation of evidence before the judges.

2.7. The possibility of modifying constitutional Article 7 concerning the territorial division of the judicial branch; and the possibility of granting more flexibility to the judicial branch structure by including, among others, the creation of specialized jurisdictions.

2.8. The possibility of creating a law that will regulate the following fields:

Appointment of posts.

The regulation of the types of crime, length and types of punishment that each official will be allowed to impose, among others.

2.9. The possibility of transferring competence from the legislative to the executive or the judicial branches so that, based on " reference laws" [Leyes Marco], the organization and functioning of the judicial branch is regulated. The possibility of studying alternative mechanisms to guarantee the strengthening of the judicial branch.

2.10. The possibility of creating mechanisms to ensure the autonomy of the judicial branch, such as:

Creation of managerial and administrative offices.

Mechanisms to exercise the power to make regulations for administrative organization.

Mechanisms for budget management.

Mechanisms to expand and administer the judicial career to the fullest extent.

Mechanisms to revise rules for political parity within the Supreme Court of Justice, the Council of State, and the Disciplinary Tribunal.

2.11 Attorney General's Office

- The possibility of reviewing the work of the Attorney General's Office.

- The possiblity of establishing new obligations to ensure human rights protection, the exercise of disciplinary power, and the defense of collective interests.

- The possibility that the attorney general and the judicial branch's top disciplinary body may impose direct disciplinary sanctions based on the principle of "facts and in good faith," so as to preserve public office morality. The law will outline the exceptional cases in which this principle may be used.

The possibility of strengthening the public prosecutor's office to encourage sanctions against illegal profiteering by public officials, with the possibility of shifting the burden of proof and of plea bargaining for effective cooperation or for helping to identify culprits.

3. Public Administration

3.1 The possibility of democratizing the public administration to allow interested parties to make observations on certain general administrative decisions before they are made, without affecting the administration's autonomy to make decisions.

3.2 The possibility of conferring upon the government the power of merging, modifying, or eliminating certain public institutions.

3.3 The possiblity of creating, through laws, new types of public institutions that are different than those defined by the constitution.

3.4 The possibility that the government may control the establishment, modification, or elimination of secondary public institutions. The law will regulate the exercise of this power.

3.5 The possibilty of confering government control to civil service, which is currently under the Congress, except those controls intended to guarantee civil service careers.

3.6. The possibility of allowing officials below the rank of president, minister, administrative department head, and governor to sign contracts with responsibilitiess outlined.

3.7 The possibility of establishing laws to allow citizens' control over administrative bidding.

4. Human Rights. The possibility to study:

4.1 Complimenting the Constitution's Title 3 by clearly outlining new political, economic, social, and cultural rights; expanding the existing ones, and the inclusion of citizen's and society's precise duties. Some of the new rights will be: The right to schooling; to a safe and healthy environment, work, health, social security; to go on strike except for essential public services, cultural heritage protection; to have access to information except to reserved documents according to the law; to have rights for minors and children, and so on.

4.2. Clearly outlining the right to life and to personal integrity and drafting a law for its development, by taking into account the progress made by science and technology within a framework of respect for human dignity.

4.3. Strengthening of the nation's Attorney General's Office so as to observe the protection of human rights or the creation of other institutions in charge of enforcing it, such as the human rights defense office.

4.4. The pointing out of some human rights, which will necessarily be protected immediately without any need for regulation.

4.5. The outlining of the amparo for the direct and opportune protection of constitutional rights in specific cases.

4.6. Establishing that its observance by private citizens and public officials will be mandatory with a list of sanctions outlined.

4.7. Expanding the principle that the public and social interest will prevail over the private interest. It will be a guiding criterion for the interpretation of the norms on rights, just as property rights were outlined.

4.8 The establishment of the principle whereby in times of peace, only congress can rule on the exercise of human rights.

4.9 The establishment of dual nationality.

4.10 The establishment of actions to benefit the people in the defense of their collective interests.

4.11 The establishment of the state's obligation to protect natural resources.

5. Political parties and opposition

5.1 The possibility of institutionalizing political parties and abolishing Article 47 of the constitution.

5.2 The possibility of regulating the financing of parties and the electoral campaigns as well as establishing the manner of controlling the management of its funds and allowing total or partial state financing of the same.

5.3 The possibility of establishing a statute for the exercise of the opposition in which the rights of the political parties will be taken into consideration with regard to access to information and the state media, the right to answer, and the enforcement of civil service in the territorial divisions.

5.4 The possibility of establishing the democratic duty political parties and citizens have in choosing candidates, approving programs and statutes, and controlling the managemenment of the funds of parties.

6. Departmental and municipal organization

6.1 The possibility of revising the functions of governors, departmental assemblies, city mayors, and municipal councils with the purpose of improving the process of decentralization without affecting the political division of the territory.

6.2 The possibility of attributing to the law the definition of the period of the city mayors.

6.3 The possibility of establishing the election of governors by the people.

6.4 The possibility that the law will regulate the revoking of the mandates of the city mayors and governors.

6.5 The possibility of preparing and organizing the participation of the community in defining the local plans and programs as well as organizing those that include regional and national plans and programs.

6.6. The possibility of establishing municipal and departmental fiscal sovereignty.

6.7 The possibility of revising the system of electing the departmental and municipal comptrollers.

6.8 The possibility of authorizing the mayors of the large cities to delegate administrative functions, budgets functions, and police functions to other officials.

6.9 The possibility of authorizing the departments to create "provinces" as geographic circumscriptions in order to facilitate rendering services.

6.10 The possibility of establishing the priniciple whereby, outside the general division of the territory, one will be able to establish others for rendering the various public services.

6.11 The possibility of redefining Article 199 of the Political Constitution on the Special District of Bogota.

6.12 The possibility of turning the intendencies and commissariats into special departments, differing to the law the corresponding regime of special electoral districts, as well as its administrative and fiscal regime.

6.13 The possibility of revising the composition and origin of the departmental assemblies.

6.14 The possibility of establishing a ban on belonging to several public corporations or to a corporation and a board of an administrative entity at the same time.

7. Participation Mechanisms

7.1. To sanction the general principle on the participation of the citizens in the political, economic, social, administrative, and cultural life of the nation.

7.2 To sanction the people's sovereignty.

7.3 To sanction and to regulate through a referendum the discussion of issues of national importance as well as constitutional reform proposals.

7.4 To sanction and regulate the people's presentation of drafts and of constitutional reform bills.

7.5 To sanction the principle on the democratization of associations and labor unions to permit the participation of their members in the selection of their board of directors, in the administration of funds, and in the adoption of basic policies.

7.6 To sanction new forms of cooperation between capital and labor.

7.7 To make voting obligatory or to explicitly authorize legislators to make it obligatory except in cases fixed by the law, and, or, to establish a system that would encourage voting and penalize nonvoting.

7.8 To sanction the establishment of mechanisms that would serve as alternatives to constitutional reforms: Legislative decisions approved by congress, referendums, and constitutional assemblies.

8. State of Siege

8.1 To make the following changes to Article 121 of the constitution:

To clearly establish that states of siege are temporary and that they can be extended,

To establish steps to be gradually implemented to deal with diverse levels of disruption of public order,

To clearly outline the rights and guarantees that cannot be changed under a state of siege,

To clearly outline the rights and guarantees that can be restricted or suspended under a state of siege,

Congress and the Legislative Commission have the right to hold meetings of their own accord,

Congress and the Legislative Commission have the obligation of reporting on the reasons for adopting measures and of explaining their consequences,

Automatic controls on constitutionality must be safeguarded,

The Attorney General's Office must be strengthened to defend human rights,

The International Humanitarian Law is to incorporate the people's rights.

8.2 To review article 28 and to establish that the attorney general will immediately intervene in cases where this article is pertinent.

9. Economic Issues. To study the following points:

9.1 A reform of the norms on economic planning to grant to Congress the authority to effectively participate in the discussion of government policies, in investment decisions of the development plan, and in planning organizations. To permit the participation of various economic and social sectors in the reform process to promote a public discussion of these issues. A revision of Article 80 of the constitution.

9.2. A revision of articles 208, 209, 210, and 211 of the constitution to modernize the public finance system.

9.3 The establishing of principles that would permit both the democratization of property and the adoption of mechanisms against the concentration of wealth and monopolies.

9.4 To sanction the strong economy [economia solidaria] principle.

9.5 A revision of expropriation mechanisms so that the administrations may conduct expropriations in rural and urban areas.

9.6 A revision of the constitution's article 49 which prohibits the emission of paper money of obligatory use.

10. Fiscal Control.

10.1. Possibility of establishing the initiative by the congress to promote investigations to exercise fiscal control.

10.2. Possibility of authorizing legislators to establish subsequent, outside, and selective control.

10.3 Possibility of authorizing legislators to introduce control over actions and results, incorporating functional, financial, and technical auditing.

10.4. The possibility of including the power to take punitive actions among the duties of the Comptroller General's Office.

Third

To have a national debate on the points of this agreement, delegates from the government, the Liberal Party [PL], the Social Conservative Party [PSC], the National Salvation Movement, and the 19 April Movement Democratic Alliance [AD-M-19] will establish the procedures to hear opinions formally presented by spokesmen for the organizations mentioned in Point 16, as well as for the Patriotic Movement and other political parties and guerrilla groups involved in a peace process headed by the government.

Fourth

The signatories of this agreement express their willingness to review, with the necessary broad-mindedness, the considerations and proposals by spokesmen of different sectors, so that, if deemed relevant, they can be incorporated into the list of topics, thus, enriching it. This requirement shall be met before the corresponding legislative decree is issued.

Fifth

In signing this agreement, we voice our conviction regarding the advisability of discussing the aforementioned topics, something that does not mean we think all of them must be amended. The list of all these topics must not be regarded as the opinion of the signatories or a recommendation to influence the criteria of the assembly members. The representatives of the political forces may state their position on any of these topics in a separate document, if they deem it appropriate.

Sixth

The signatories of this agreement express our commitment to establish the criteria that will lead to the creation of a system of guarantees for all social, political, and regional forces, which may include partial government financing of the electoral campaigns, access to news media, distribution of ballots by the state, and the formation of a committee to ensure those guarantees are observed during the period to elect the members of the assembly.

Cesar Gaviria Trujillo, Colombian president-elect and PL national director; Rodrigo Marin Bernal for the National Salvation Movement; Alvaro Villegas Moreno for the PSC; Antonio Navarro Wolff for the AD-M-19; and Julio Cesar Sanchez Garcia, who signs as witness.

Purge in EPL Reported; Caraballo Expelled

PA1608033990 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 14 Aug 90

[Report by Lays Vargas]

[Text] A purge in the General Staff of the self-styled Popular Liberation Army [EPL] has been revealed by a meeting of the EPL General Staff in the town of Pueblo Nuevo in the Uraba region.

After leading the EPL for 23 years, rebel leader Francisco Caraballo has been expelled from the EPL General Staff. During the same meeting, it was reported that the Army of National Liberation (ELN) is also discussing the possibility of establishing a truce and suspending the attacks on oil pipelines in Colombia.

The EPL and the Colombian Communist Party Marxist-Leninist [PCC-ML] have finally made official the expulsion of Francisco Caraballo, who for many years was first secretary and commander of these groups. This decision was made public after the plenum of the PCC-ML ended in Pueblo Nuevo.

[Begin recording] [Anibal Palacios, new EPL commander] With the exception of the three members of the National Directorate who have been appointed by the plenum, no party member has the right to speak on behalf of the PCC-ML. Therefore, the functions of Francisco Caraballo as PCC-ML first secretary have ended.

[Bernardo Gutierrez, EPL commander] This is a very important decision, because today we cannot ignore the needs of the country. [end recording]

The ELN seems to be working toward achieving the same objective after announcing, through an official spokesperson who attended the aforementioned meeting, that it has high hopes for the process initiated by the EPL. He added that ELN members are internally discussing the possibility of joining the dialogue process and suspending their attacks.

All Colombian sectors have apparently been motivated by the desire for peace, the decision to end violence, and the atmosphere of dialogue, which have left those who oppose the aforementioned objectives behind.

The decision adopted by the PCC-ML definitely bans Francisco Caraballo from the organizations that he controlled for 23 years.

Ecuador

* Nebot, Febres Cordero on Post-Election Issues

90SM0200B Guayaquil EL UNIVERSO in Spanish 15 Jul 90 p B1

[Interview with Social Christian Party (PSC) congressional Deputy-elect Jaime Nebot Saadi and Leon Fabres Cordero by Maria Teresa Perez de Campos, in the Febres Cordero home; date not given]

[Text] "This is the first time we have sat down in front of a tape recorder," says Leon Febres Cordero, referring to the interview he had done with Jaime Nebot Saadi, close friends for over 30 years.

Remembering old times, Leon defines Nebot as young and aware, direct, talkative, controversial, a gadfly and polemicist: "Like all intelligent men!" And Nebot remembers Leon, first as his father's friend and later as a student, when he began to work with him on certain legal matters.

"We became close friends and identified with a clear, antidictatorial political struggle," says Nebot, who has remained close to Febres Cordero in his trajectory through national public life, from the time the latter served as senator until he became president.

Today, after winning the elections "overwhelmingly," as they both emphasize, the roles have changed.

Nebot is now the people's representative and Febres Cordero his faithful comrade.

This interview took place in Febres Cordero's home in Urdesa.

It was exceedingly hot outside, but inside the atmosphere was as cool as its appearance.

"Dressed to the nines," in the traditional garb of the landowner, Febres Cordero offered us "limonada integral, unique in Guayaquil." Nebot, dressed more formally, quietly wandered about the room.

Once the drinks had arrived and Febres Cordero had his cigarettes in hand, the tape recorder was turned on.

[EL UNIVERSO] What criterion was used for drawing up the list of Social Christian candidates for Guayas?

[Febres Cordero] I maintain that elections are won based on three circumstances: the quality of the man and the services he has rendered to the community, the man's work in the political campaign, and how the country's circumstances during the political struggle were used.

[Nebot] And his following among the voters.

[EL UNIVERSO] For example, is Carlos Castro a worthy representative of his party?

[Febres Cordero] Carlos Castro fights for the people. And any man who wages a fight has the right to his aspirations.

[Nebot] And one would have to see why other persons, against whom the same accusations leveled at Castro could be made, are not challenged. Why did they not question him when he was head of the Civil Registry?

[Febres Cordero] The accusation made against Carlos Castro is the same leveled against the presiding magistrate of the Guayas Election Tribunal, for land encroachment.

[Nebot] I presented six petitions against the presiding magistrate of the Guayas Election Tribunal because, when he was a council member, he sold off the streets and parks of Guayaquil. Why is he not questioned now?

[EL UNIVERSO] Do you think politics is dirty?

[Febres Cordero] In this country, politics is not only dirty, but a veritable sewer, and in order to survive in what we call politics here, you have to go down into the sewer wearing a diving suit in order to avoid drowning in the manure. After all, what does politics consist of here? Not in fighting a man's ideas with ideas, but rather, calling him a thief and slandering him. That is not politics; it is filth.

[EL UNIVERSO] Many of those in the know say that the hunger we have today is the result of the fact that during the last phase of your government, they closed the doors to the farmers so that things would be as they are now.

[Nebot] They have been like this for two years! Short-season harvests last four months and Dr. Borja has had four times as long to do something.

[Febres Cordero] That is not true! Under my government, the people had a higher income and agriculture grew at a rate of 10 or 11 percent, which has never happened in the history of this country. There was order, peace, public works, and let us not forget the loathsome opposition that fought me and tried to govern from Congress from the very first to the last day of my administration.

[EL UNIVERSO] Some analysts say it was because Dr. Hurtado left you a country in better condition than the one you left to Dr. Borja.

[Febres Cordero] The only supreme judge is the people. I am more interested in the opinion of the people than in that of an economic or political analyst, because the opinion of an analyst is his personal opinion.

[EL UNIVERSO] But an analyst is a veteran who studies in order to analyze and the people are not specialized. Do you think the people analyze?

[Nebot] Of course! When the people eat and are fed or do not eat, the analysis is easier. And when someone gives them food, they do not need to analyze. I am referring to what the people understand and it is very simple. Under our government, the minimum wage tripled in three years and the prices of basic goods, services, and fuel did not triple during that period. In approximately two years under Dr. Borja's government, wages have not doubled, but prices have quadrupled.

[EL UNIVERSO] Among the bills you proposed to Congress is the reorganization of the Judicial Branch. Why?

[Nebot] I proposed something very clear. Democracy is a synonym for independence and depoliticization of the functions of government, including the Supreme Court of Justice, the Supreme Election Tribunal, the Tribunal of Constitutional Guarantees, and the Tribunal of Administrative Litigation. We are going to reform the procedure for appointing judges and if, in order to do so, those now in office have to leave, that is naturally how it will be, but not for strictly personal matters. The system of appointment must be changed so that we have judges who first and foremost have experience and a legal background. They must not be appointed simply as the result of a majority in Congress, but rather, of other organizations as well. We are not trying to replace an allegedly leftist court that responds to objectives of political, partisan, and sectarian persecution with a rightist court that responds to other aims. We agree that there may be reliable, honest, capable communists. We are not going to establish a Social Christian court. That is not our aim.

[EL UNIVERSO] What socialist do you think deserves to be on the court?

[Febres Cordero and Nebot] (In unison) Juan Isaac Lovato.

[EL UNIVERSO] Are you totally convinced that justice is politicized?

[Nebot] And corrupt! There are exceptions, many, so be careful!

[EL UNIVERSO] And what if the ruling of the court absolves Febres Cordero?

[Nebot] That does not change our ideas. It will be because the chamber has proceeded honestly.

[Febres Cordero] I do not do interviews in which, based on an old concept about the country's aspirations, they introduce special cases such as my own. I was the victim of political persecution by the government through the presiding magistrate of the Supreme Court of Justice, but you are encroaching on my territory if you want to deal with specific cases with me.

[EL UNIVERSO] You also have the case of Abdala in which they talk about politicized justice. What is your opinion of this?

[Febres Cordero] Let them think what they want!

[EL UNIVERSO] If you think it is a political case, could the solution then come politically, in Congress?

[Nebot] No, no, no!

[Febres Cordero] I have been very clear. My case is now being handled by a chamber which received it because I used a legal recourse, appeal.

[EL UNIVERSO] Mr. Nebot, if someone proposed amnesty for Leon, would you agree?

[Nebot] I personally do not think I should vote for amnesty for Febres Cordero because he does not deserve it. He has committed no political or common crime. He does not deserve pardon or amnesty; he deserves to have the Supreme Court hand down a ruling based on the law, removed from political considerations.

[EL UNIVERSO] And what if amnesty is proposed for Abdala?

[Nebot] The same is true. We have nothing to do with amnesty for Mr. Bucaram. Let him defend himself legally, just as Mr. Febres Cordero has done. What we do not want is for Ecuadorans, as in Leon's case, to continue to be persecuted by judges appointed based on politics. Our reform goes beyond the Febres Cordero case and let us not even mention the Bucaram case, which cannot even be compared with this matter.

[EL UNIVERSO] One question on the $150,000: If it was all work done secretly by the Monetary Board and the Central Bank accepted it by taking Orellana's receipt, why was another receipt signed by Ran Gazit sent a few days later?

[Febres Cordero] How else would we have cleared the matter? Neither the Central Bank nor the Monetary Board ever learned the specific purpose of the $150,000, the actual breakdown, but they knew it was being requested for matters of national security. Just imagine if, after presenting a confidential, secret, signed receipt—signed by the person who received the money—to clear the matter with the Central Bank, a trial is then held. What would have happened if that receipt did not appear?

[EL UNIVERSO] And what is your opinion of the reorganization of FODUR [expansion unknown]?

[Nebot] Why did they want to reorganize it? In order to take from the Guayas deputies, who won it, the right to do the public works they did not do. That is why we protested. We do not agree because that is an organization that has to be won via Congress by the Guayas deputies.

They took away FODUR to prevent us from carrying out projects. That is against the people. That is what we call backroom politics.

[EL UNIVERSO] What is your opinion of extradition for drug traffickers?

[Febres Cordero] It is absurd! It goes against the country's sovereignty. It means accepting the inability of a country to punish criminals based on its own laws. Why should we let them be judged by another country if we can do it ourselves? That is why we have to have harder laws, as I proposed.

[Nebot] Under the Social Christian Government, a bill was proposed to impose life imprisonment on drug traffickers. Why does the current government not make such a law if it has a majority in Congress and claims to fight drug trafficking?

[EL UNIVERSO] Mr. Nebot, would you support a constitutional change in favor of reelection?

[Nebot] Yes, I would. The impossibility of reelection came about in this country perversely, in order to prevent any repetition of such cases as Velasco Ibarra. When I support reelection—and I do so at the highest level, for all officials, including the president—I am not doing so for Febres Cordero. He is not interested in the presidency. If he were and ran, and the people did not want him, they would vote for someone else.

[EL UNIVERSO] Would you vote in favor of reelection even if it meant postponement of your candidacy?

[Nebot] I would vote for Febres Cordero as many times as he ran.

[Febres Cordero] That postpones nothing. I have never wanted to be president of Ecuador again.

[EL UNIVERSO] But would you accept if the party called on you?

[Febres Cordero] How can I answer a question forbidden by law, by the constitution?

[EL UNIVERSO] Even if that reform allowed Drs. Hurtado and Borja to be president again?

[Febres Cordero] It does not give them the right to be president! It gives the right to run again, but let's see what the people say.

[Nebot] Let them run and beat us then! Borja's problem is not with us; it is with all those around him who want to be president, which is why they made the law. They are the ones who are afraid of the people, the so-called "democrats," the ID [Democratic Left] and the DP [Popular Democracy Party].

[EL UNIVERSO] Why do you say that when, in the ideals of your party, it says something about the future of the nation being Christian Democracy? What are the exact words?

[Febres Cordero] "The America of the future, Christian Democrat."

[Nebot] That is one concept. It is not that we are against democracy or Christianity. We disagree with Dr. Hurtado's DP.

[Febres Cordero] Precisely! That is a concept that comes from the origins of the party in the '50's. What we oppose is the "communitarianism" of Osvaldo Hurtado, against the underhanded, false left.

[EL UNIVERSO] So that just as Sixto, with his experience, prestige, and popularity, supported the candidacies of his party, you would also support Sixto's candidacy?

[Nebot] If he is the most popular man in the party when it comes time to choose that man, if he is the person most able to successfully face our enemies and political adversaries, if he is the man who can carry the party's banner to Carondelet Palace, fighting as he must, then I would vote for him for the third time.

[EL UNIVERSO] And would you give up the candidacy for the presidency to agree to run with Sixto as the vice presidential candidate?

[Nebot] Never! There is nothing in my life I have to give up. That is my right. I aspire to nothing, but I refuse to give up any of my rights. Nor do I want Duran Ballen to waive his rights. I don't want to be anybody's vice president!

Extraneous Remarks

[Febres Cordero] The success of the relationship between two human beings is no accident, but rather, depends on respect for any disagreements they may have and on being able to find a way to resolve such disagreements.

[Nebot] I think that although the opposite may appear to be the case, I am less impulsive than Leon. I am cold-blooded when it comes to making decisions.

[Febres Cordero] I always tell Nebot he is more simplistic than I.

[Febres Cordero] We are two men always moving forward.

[Febres Cordero] Don't think we haven't had serious differences of opinion!

[Nebot] We have even disagreed on economics. I have never believed, even when we were in government, in the restoration of assets or flotation.

[Febres Cordero] One commonly hears people say that chiefs of state today have to be statesmen, that they have to be concerned with international politics, the macroeconomic elements of the country, eloquent speeches, dispensing with something very fundamental: small details concerning the people. My friends, the people live on details!

[Nebot] We think one must not be afraid of the word "people." Those who are afraid of it in politics are the ones who get no votes.

[Febres Cordero] And don't forget that they have talked about the rightist right and the twisted right, but when they realized that we would win overwhelmingly on the national level, they called us the populist right!

[Febres Cordero] Here they label demagogy populism. In what way have we engaged in demagogy?

[Nebot] Just because someone wins or loses over a motion in Congress does not mean he has therefore won or lost the fervor of the people. Many times when we lose in Congress, we win with the people, and when we win in Congress through dirty pacts, we lose popularity.

[Febres Cordero] Excuse me, Nebot, but now we are starting to wonder and even have doubts about why they voted for us!

[Nebot] But we are going to respond: We won overwhelmingly and we have more votes than the DP and the ID put together.

[Febres Cordero] Everything we do is bad. Everything the others do is good.

[Febres Cordero] I never play the victim. I have described myself as a man who has never ducked any question and answers them all.

[Febres Cordero] Me? In the mayor's office? Never! Please!

[Nebot] Jamil Mahuad says he is going to confront me. I told him again he has to be pretty macho in the area in which he says he is going to confront me.

[Febres Cordero] Based on the political success or failure of the Dahik economy, I said he should go back over his economic analyses. I have never tried to belittle his intellectual ability.

[Febres Cordero] They used the elections so the people could say whether they agreed or disagreed with the government. But I did not realize it—it got past me—that there were 1,500 PSC candidates in the country fighting for my position and 18,000 fighting against it. My historic mistake was that I should have called that consultation of the people after the elections.

[Febres Cordero] I think that question should be directed to me because I am older!

[Nebot] I don't agree with that question and I had better leave!

[Febres Cordero] Wait, you don't know what I'm going to answer.

[Nebot] Leon, you have the classic reply for this.

[Febres Cordero] Just look how we are openly discussing these things in front of a reporter for the country's leading newspaper. We have nothing to hide and furthermore, we are human. We do not presume to be infallible and since we are men who are used to making serious, hard decisions, there is a greater possibility of making mistakes.

[Febres Cordero] If I ran into the devil, what would I tell him? That I don't deserve to be there! My whole life I have tried to serve others. I have walked a straight line, living by the principles I was taught at home by my parents. I have been faithful to my beliefs and basically,

I have been a man who has produced much more than he consumed. As a result, the surplus of what I produced has gone to help others.

Peru

Economic Situation Bleak, But Fujimori Upbeat

PY1508154090 Santiago Domestic Service in Spanish 2300 GMT 14 Aug 90

[Report by Pedro Buca from Arequipa]

[Text] Today Arequipa—or the city of Misti, which is the name of the volcano in the center of this city—began official celebrations of its 450th anniversary amid strong social pressure, continuous calls by several sectors to paralyze activities, excessive increases in the prices of staples, shortages, increases in crime, and strong police surveillance. Celebrations have been tarnished by a general feeling of uncertainty among workers and businessmen as a result of the economic measures adopted by the new government of Engineer Alberto Fujimori. These measures are known in Peru as Fujishock.

For example, the minimum wage for an average worker is 8 million intis—about 7,400 Chilean pesos—and is only enough to buy five kg of sugar, three liters of cooking oil, two kg of noodles, 44 bread loaves, four kg of rice, and one liter of gasoline, which costs 400 Chilean pesos. This dramatic economic situation has provoked a strong social reaction—especially among the poorest sectors—as well as a considerable increase in crime.

We learned this ourselves only 15 minutes after the Chilean Congress delegation headed by Christian Democratic Deputy Luis le Blanc and Chilean Ambassador to Peru Alejandro Magnet arrived in Peru. As they arrived at an official reception, some criminals stole parts from their car, which was parked only 10 meters away from a police car assigned to guard the official cars. When the police were told about the incident, they simply said: Things are like this here, and prices have increased excessively. That was the police reply to the robbery of parts from the official Chilean cars.

This is the situation in which people in Arequipa and throughout the country are living. The solution to this situation will be difficult for all Peruvians. Only a few people close to the Fujimori administration think the economic program is appropriate.

According to newspaper reports, President Fujimori has categorically denied the possibility of a coup d'etat in Peru as a result of the harsh economic measures he adopted a few days ago. In an interview granted to a Peruvian daily, President Fujimori said his government is supported by the military and police, and by the people themselves. Only 15 days after taking power, Fujimori said he is optimistic about Peru's future, and asserted that his government's main interests are the fight against drug trafficking, corruption, terrorism, and crime.

Fujimori said that drug trafficking income—which currently amounts to 40 percent of Peruvian exports—has served to prevent an economic collapse in Peru. Nonetheless, Fujimori insists on the substitution of coca crops, although strong international cooperation is needed, he said.

Government Dissolves Institutes, Cuts Embassies

PY1508183090 Lima EXPRESO in Spanish 10 Aug 90 p 2

[Text] Yesterday the government ordered the dissolution of the ICE (Foreign Trade Institute) and the National Institute of Social Communications (member of the National Social Communications System), and authorized the Foreign Ministry to reduce the number of embassies, consulates, and personnel abroad.

The government also authorized the directorates of financial and non-financial public companies, to hire, within a 30-day period, auditing companies to examine their accountings and administrative actions over the last 12 months, especially regarding the following aspects: the use of public funds, goods purchases, and capital goods and services, as well as administrative actions that may have endangered normal functioning and stability.

The supreme decree establishing these measures has been published in the official gazette EL PERUANO. It also suspends all exemptions for payments by those companies and the reduction of prices for companies' use of their own goods and services.

ICE and National Institute of Social Communications personnel, material, resources, and documents will be transferred to the office of the president of the Council of Ministers and to the National Public Administration Institute (INAP).

The services offered by Peruvian trade offices abroad will now be provided by Peruvian consulates and embassies.

Trips abroad, regardless of their objective, will be only be authorized by a vote of the Council of Ministers.

The National Corporation for Development, CONADE, and the National Financial Corporation [Corporacion Nacional Financiera] (CONAFI), will issue austerity regulations for financial and non-financial public companies according to each case, taking into account maintaining and increasing the production and sales of the companies' goods and services.

Editorial Criticizes Garcia, Praises New Plan

PY1608014590 Lima EXPRESO in Spanish 12 Aug 90 Sunday Supplement p 1

[Editorial: "Cooperate Until it Hurts"]

[Text] We now know the megatonnage of the time bombs left behind by Alan Garcia's administration. These bombs were set to go off to make us forget the sufferings

brought about by the previous administration and to charge the succeeding president, whoever it may have been, with implementing an insensitive policy that goes against the interests of the people. This policy, however, is really the opposite of the demagogic and irresponsible policy promoted over the past five years.

It is very easy to burn out the resources of a nation to create a false sensation of prosperity and to leave the bill to be paid by whoever is elected for the next term in office. This is particularly easy if one belongs to the old-fashioned line of Latin American populist demagoguery. It is rather insane, however, to do this twice in the same term just to ensure that the evil project of politically butchering whoever is elected and making him pay the bill, should it fail once, does not fail a second time.

This insane, devilish Machiavellianism was shown by the haste in HOY's publishing of an article entitled "The Shock is Killing Us." The newspaper, the real director of which is known to all, could barely wait until the day after the economic measures were announced to reveal its leanings and preferences.

The difficulties we are now experiencing are simply the result of the delusions of grandeur of a man who believed that, in an era of internationalizing economies, Peru could leave the international financial community and build its own development with the infallible tools of presidential will, fiscal deficit, cheap dollars, and price controls.

There is no doubt that the economic adjustment had to be as huge as this egomania. The strategy of adjusting and establishing certain variables has been discussed, but the magnitude of the increases has not. Only huge increases can give back to the public treasury an income of 12 percent of the GDP, which is still less than the average of 14 percent achieved during former President Belaunde's second term in office.

We have already pointed out that this adjustment is quite complete from the fiscal point of view because it puts an end to the deficit. Therefore, all we need to achieve this objective is firmness and the support of the people and unions.

The problem, however, is that the government, because of the short time and haste with which the economic team had to prepare the economic program—the Peruvian people know very well that the candidate elected by them had not prepared an economic program—could not choose a more sophisticated alternative, similar to the plan prepared by the Democratic Front (Fredemo), which would have had a lower social and economic cost because it would more skillfully employ the various economic tools.

In the absence of a more elaborate program and a sufficiently numerous and solid team, the government decided to tread a simpler and safer path, even if it proved more costly. It could not risk adopting a more complicated solution which might prove impossible to implement so it decided to leave an important part of the adjustment to the market and a deliberate lack of liquidity.

The truth is that the Peruvian people are experiencing the paradoxical result of their voting. In politics, appearances are more misleading than in real life. The choice, however, has already been made, and it is now time to cooperate for the success of the program. The structure of the program indicates that success will be achieved, particularly because the country cannot fail again. We cannot sink into despair or succumb to the temptation of resorting to looting, which is a frequently used political solution [cargamonton politico].

The government must better explain the policies it will implement to make it easier to understand the logic of the program. It must also introduce the necessary corrections prudently and in a timely fashion. The social compensation program must be implemented and businessmen and merchants must consider the possibility of reducing their prices if they want to sell anything. Their first act of solidarity should be to reduce speculation and profits.

Lima Residents Express Support for Economic Plan

PY1508222090 Lima EXPRESO in Spanish 13 Aug 90 p 4

[Text] According to a survey conducted by the Analistas and Consultores firm, 62.2 percent of Lima's residents have expressed their confidence that the government's economic measures will solve the economic crisis. However, 49 percent believe that the measures will only partially solve the problem.

Only 25 percent disagreed with the measures, while 13.3 percent said that the crisis will be completely solved.

The results of the program announced by Prime and Economy Minister Juan Hurtado Miller will be clear within a year or more, according to 33 percent of those surveyed, while 27.9 percent said that they will be clear within six months.

The majority of those polled, 67.5 percent, described the program as a shock program; only 30.4 percent termed it an adjustment program.

According to 45.5 percent of those surveyed, the general price increase was the most harmful measure, while 18 percent said that the oil price increase was the most harmful.

There were 12.8 percent who regarded the elimination of the dollar MUC (Single Exchange Market) as the most positive measure, while 10.4 percent supported the need to set the economy on more realistic terms.

The survey results, which were released during the Panorama program broadcast by Channel 5, added that

60.4 percent endorsed the compensation program while 29.8 percent disagreed with it.

Some 77.2 percent said that such measures were not included in the program announced by President Fujimori during his electoral campaign, while 17.9 percent said that they were indeed part of the program.

Armed Forces Warn Unions Against Public Rallies

PY1608030390 Buenos Aires TELAM in Spanish 1956 GMT 15 Aug 90

[Text] Lima, 15 Aug (TELAM-ANSA)—In a clear warning to labor unions, the Peruvian Armed Forces pointed out today that there is a decree prohibiting public meetings. The unions have called on the people to take part in tomorrow's demonstrations to protest the economic adjustment program implemented by President Alberto Fujimori, whom they charge with "betraying the confidence of the people who voted for him."

The marches and meetings were called for by the two main Peruvian labor unions, the General Confederation of Peruvian Workers (CGTP) and the Confederation of Peruvian Workers (CTP). These two unions decidedly supported Fujimori up to less than a month ago, but after the government implemented the strict economic adjustment the unions agreed to firmly oppose the president.

In a communique, the Armed Forces Joint Staff called on the unions "not to disturb public order" and pointed out that "a state of emergency has been declared in Lima." This situation of social tension began a week ago, when the government decreed an extremely hard economic program aimed at stabilizing the economy, which was uncontrolled and chaotic.

The unions seem to have decided to capitalize on the discontent created by the government measures. This discontent is also why troops continue to patrol Lima and other important Peruvian cities, where serious riots and lootings have occurred.

The press, which supported Fujimori during his first days in office, is now clearly against the shock [preceding word in English] economic policy, which the president always claimed to be against during his political campaign.

In this atmosphere of uncertainty and ever-increasing social tension, subversive groups have reactivated their armed operations by staging attacks, committing murders, and attacking and occupying Lima radio stations.

Despite the state of emergency, Lima yesterday experienced a "night of terror" during which terrorists staged a series of attacks and set fire to a dairy products plant and eight public buses.

Education, Industry Ministers Confirmed in Posts

PY1508204090 Lima EXPRESO in Spanish 13 Aug 90 p 13

[Text] Less than 15 days after the inauguration of President Alberto Fujimori, his first cabinet—headed by Juan Carlos Hurtado Miller—managed to avoid its first crisis yesterday following rumors over the possible resignations of the education and industry ministers.

After meeting with President Fujimori, United Left member Gloria Helfer said that Fujimori had asked her to continue as head of the Education Ministry despite her disagreements with the economic program implemented by the ruling Change 90 Movement.

Helfer said: "I feel the suffering of the people due to the economic adjustments, but they have asked me to remain in my post."

Industry Minister Guido Pennano also denied rumors on his possible resignation. He said that he maintained good relations with Prime Minister Hurtado Miller despite the disagreements within the cabinet.